Daily Report

Latin America

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Havana Nonaligned Meeting on Disarmament Ends

More on Kim Yong-nam Remarks

SK0206001988 Pyongyang Domestic Service in Korean 0700 GMT 31 May 88

[Text] Kim Yong-nam, our country's vice premier and minister of foreign affairs, made a speech at the extraordinary ministerial meeting of the Coordinating Bureau of nonaligned countries on disarmament held in Havana, the capital of Cuba.

He pointed out that since its initial period, the Nonaligned Movement, giving great significance to arms reduction, has advanced various initiatives and proposals for the overall and complete dismantling of armaments and has carried out positive activities for their realization. He said that even though there had been a series of agreements on disarmament, the arms race, particularly the nuclear arms race, has not ended and that acute crises and a tense situation persist in international relations.

He continued: The prevailing situation urgently demands that the Nonaligned Movement's role be enhanced in the struggle to prevent a nuclear war and defend peace.

The respected and beloved leader of the Korean people Comrade Kim Il-song has taught: The most important question in the field of international politics now is to eliminate the source of nuclear war and preserve peace.

The nonaligned countries must set forth as their most important duty the removal of the source of nuclear war and the safeguarding of peace. They also must undertake energetic activities so that practical steps can be taken to terminate the arms race and realize overall and complete disarmament, the dismantling of nuclear weapons in particular.

Our delegation believes that priority should be given first to the elimination of nuclear weapons and that energetic joint action be taken to ban the testing, production, stockpiling, and use of nuclear weapons and realize complete removal of all kinds of nuclear weapons from the globe.

Today, when the dismantling of intermediate-range missiles is on the agenda, it is tactical weapons that can trigger a nuclear war. Under the present situation in which a Soviet-U.S. INF treaty was signed, the nonaligned countries should orient their activities to abolishing tactical and strategic nuclear weapons. They should ensure that a Soviet-U.S. treaty on a 50-percent reduction of strategic nuclear weapons is signed.

A ban on nuclear tests is an important demand for checking the nuclear arms race and dismantling nuclear weapons. They should struggle for the early conclusion of a treaty on the complete prohibition of all nuclear tests and the suspension of all nuclear weapons tests until that time.

Our delegation recognizes that establishing a nuclear-free, peace zone in various areas of the world and endlessly expanding its sphere plays an important role in hastening the construction of a world free of nuclear weapons. The nonaligned countries should make joint efforts to convert the regions on which agreements have already been reached into true nuclear-free zones, while bringing into practice the new proposals for the establishment of nuclear-free zones.

While striving to dismantle nuclear weapons, the nonaligned countries must also strive in every way for the adoption of measures that would ban the development and production of weapons of mass destruction, including chemical weapons, and the reduction of armed forces and conventional weapons.

Our delegation recognizes that the most urgent problem in realizing arms reduction is to end the arms race, the nuclear arms race in particular, and to alleviate tension. Through the reaching of an agreement on ending the arms race in space at the earliest time, the arms race must be prevented from expanding even into space.

The nonaligned countries must strongly demand the withdrawal from other countries of all means of war, including nuclear weapons, foreign troops, and foreign military bases.

We think it is of important realistic significance in the struggle for arms reduction to pay special attention to the situational developments of the countries and regions where peace and security are gravely endangered. In particular, by eliminating the hotbed of tensions, we should create conditions favorable for realizing disarmament.

He supported the struggle by the people of southern Africa against South African racism and apartheid; the just cause of the Arab people, including the Palestinian people, against the Israeli Zionists; and the Nicaraguan Government's new initiatives for accelerating the peace process in Central America, expressed firm solidarity with them, and denounced the U.S. political and economic pressure and military threat against Panama. Warning that the nuclear arms race and the danger of conflict are ever-growing in the Asia-Pacific region, he continued:

This situation requires that all nonaligned countries, especially the nonaligned countries in the Asia-Pacific region, wage activities to ease the situation by realizing disarmament and to safeguard peace in this region. We believe that the Asia-Pacific region must not be excluded in worldwide disarmament talks and that negotiations for disarmament in this region should be held at an early date.

Today, the disarmament problems stand out more urgently on the Korean peninsula than in any other area, and disarmament on the Korean peninsula is a part of global disarmament.

Huge armed forces of the North and the South confront each other on the Korean peninsula, and mutual distrust and misunderstanding are increasing. Worse still, more than 40,000 U.S. troops and over 1,000 nuclear weapons of various types are deployed in South Korea. The density of nuclear deployment there is guadruple that in the NATO nations.

Having turned South Korea into a nuclear depot and the biggest nuclear forward base in the Far East, the United States is staging one nuclear military exercise after another against the northern half of the Republic. Thus, South Korea has become a hotbed of nuclear war and a dangerous situation where a nuclear war may break out any moment has been created on the Korean peninsula.

In order to ease tension and eliminate the danger of war on the Korean peninsula, the military confrontation between the North and the South should be brought to an end, and for this purpose, disarmament should be realized.

In recent years, the Government of the DPRK has successively put forward various realistic proposals for detente, including the proposal for ending the arms buildup and arms race, the proposal for making the Korean peninsula a nuclear-free, peace zone, and the proposal for holding North-South high-level political and military talks. In particular, in July last year, we made a proposal for a large-scale arms reduction for a phased reduction of the armed forces of the North and the South so that each will maintain not more than 100,000 troops by 1992, and we unilaterally reduced the troops by 100,000.

This year we made a proposal, from the earnest desire to ease the tense situation on the Korean peninsula by all means, to hold a North-South joint conference to urgently discuss and solve pending issues for resolving the acute military and political confrontation, but the United States and the persons in authority in South Korea have refused all our reasonable proposals and answered them with the large-scale "Team Spirit-88" joint military maneuvers while aggravating the situation on the Korean peninsula still further.

Furthermore, under the pretext of security for the Olympics, the United States massively assembled in South Korea and the surrounding waters numerous aggressive armed forces, including an aircraft carrier, and threatened that they will wage a limited attack against North Korea, if necessary, as they did against Libya. Facts show that the United States is scheming to perpetuate the division of Korea and continue to hold South Korea as its nuclear forward base in order to realize its Asian and Pacific strategy.

The United States must withdraw its troops and nuclear weapons from South Korea at once. If the U.S. nuclear weapons in South Korea are aimed against other socialist countries, the United States should withdraw from there as well, now that it has signed the INF treaty with the Soviet Union and is preparing for a treaty to reduce strategic weapons. Furthermore, the United States should respond positively at an early date to the Soviet Union's expression of its willingness to safeguard the region's nuclear-free status, along with other major nuclear powers in this region, if a nuclear-free zone is established on the Korean peninsula.

I firmly believe the nonaligned countries will pay deep attention to the development of the situation on the Korean peninsula and will continuously express active support and solidarity for disarmament and the alleviation of tension there. I also reaffirm that the Government of the DPRK, which has an urgent interest in the disarmament issue, will make patient efforts for the alleviation of tension and for durable peace on the Korean peninsula, as well as for the realization of disarmament in other parts of the world. It will actively join the activities of the Nonaligned Movement for disarmament.

XINHUA Terms Meeting Successful

OW0106144188 Beijing XINHUA in English 0752 GMT 31 May 88

["News analysis: Nonaligned Disarmament Meeting a Success (By Chen Shengtao)"—XINHUA headline]

[Text] Havana, May 30 (XINHUA)—The successful special ministerial meeting of the Nonaligned Movement (NAM) on disarmament, which closed in the Palace of Conventions here tonight, is another milestone in the movement's arms reduction effort as a champion for world peace and international security.

The ministers and their aides burned midnight oil for days, but the result of their work is rewarding and propitious.

The fact that the meeting, called on the eve of the Moscow superpower summit and the third special session of the UN General Assembly devoted to disarmament, was the first of its kind in NAM's 27-year history was already significant enough.

NAM was incepted on the basis of commitments for independence of great-power politics and the prevention of war, nuclear war in particular. At this meeting, the movement reaffirmed many of its basic positions while expressing welcome to the improvement in the climate of international relations.

The ministers pointed to great power rivalries, policies of sphere of influence and the denial of the peoples' right to self-determination as factors continuing to "endanger international peace and security." They stressed the need for a world order of peace based on the principles of the UN Charter.

Such reaffirmations will undoubtedly enable the movement to continue addressing major world problems in the right perspective and to remain the mainstay in preserving world peace and security.

In the aspect of disarmament, NAM professed to adhere to the final document of the first UN special session devoted to disarmament, which was held in 1978 on the movement's initiative. The document, which provides for a set of principles and objectives and the priorities in negotiations, was once again upheld as the "bible" of arms reduction.

But the documents adopted by the meeting and the statements heard during its course also included a number of new observations and approaches conceived in view of the changing world situation and the movement's own experience in the disarmament endeavors.

The meeting, in both its final document and its message to the Moscow summit, emphasized much more explicitly the "overwhelming" or "special" responsibility of the two military giants in the various areas of disarmament. With regard to nuclear arms, the message urged them to reach an agreement within this year to cut their strategic arsenals by half, following their INF treaty signed last year.

The meeting also paid great attention to two new trends that again call for superpower commitments in the first place—the danger of the arms race extending into the outer space and the need for conventional disarmament becoming growingly urgent now with nuclear arms cut under way.

The need to promote development, particularly in the Third World, with resources saved through disarmament, was another prevailing topic among the participants of the meeting. Understandably, it is time to correct the absurdity that both the yearly military spending of the world and the debt of the developing countries stand at 1,000 billion U.S. dollars.

A fourth salient characteristic of the meeting was that the non-aligned nations, while keeping those lofty objectives in their long-term strategy, turned more to flexibility and pragmatism in their approach on specific disarmament issues.

A large number of countries, including Yugoslavia, the first chairman of NAM, and Zimbabwe, the current one, stressed the importance of realism and constructiveness as prerequisites for NAM proposals.

Observers are of the view that in so doing, NAM will only find itself in a better position to play a positive role by broadening the base of consensus for the realization of its disarmament objectives, immediate and far-stretching.

The birth and growth of NAM, now in its prime of life, has been a product of the process of pluralization of world politics. Every success of the movement in advancing disarmament, one of its preoccupations, will contribute significantly to a safer and healthier world.

Delegates' Speeches Cited

OW0106175888 Beijing XINHUA in English 0744 GMT 31 May 88

[Text] Havana, May 30 (XINHUA)—The 2-day general debate at the special ministerial meeting on disarmament of the Nonaligned Movement (NAM) concluded here this afternoon with all delegates calling for substantive progress toward denuclearization and a general and complete disarmament.

The meeting, which started on the eve of the Moscow Reagan-Gorbachev summit and the third UN special session devoted to disarmament, was the first of its kind in NAM's 27-year history, and is viewed as the organization's new effort to advance disarmament and contribute to a safer and healthier world.

Virtually every one of the 46 speakers expressed satisfaction with the U.S.-Soviet INF treaty and hoped that the 2 superpowers would proceed to agree on a 50-percent reduction in their strategic arsenals.

Pakistan Foreign Minister Zain Noorani called for a NAM "crusade" to persuade Washington and Moscow "to reduce their respective arsenals through bilateral negotiations" and "to initiate meaningful action" in other areas like global arms reduction and prevention of spreading the arms race into outer space.

He said the two superpowers have "major responsibility" for disarmament.

Cuba's Vice President Carlos Rafael Rodriguez said all other nuclear powers should, as one of them has already done, commit themselves to not being the first to use their nuclear capability.

His view was shared by many other speakers, and later included in the communique of the meeting.

Yugoslav Foreign Secretary Budimir Loncar pointed out, "Realism and constructiveness should be the prerequisites for our proposals."

"The visions of the policy of nonalignment have never been idealistic aspirations. They have always been the projections of what is valid and realistic for the times to come," he added.

Loncar said nonaligned nations can take possible actions in six areas at the Third Special Session of the UN General Assembly devoted to disarmament scheduled to be held next month in New York.

These areas include reduction of strategic weapons by the two superpowers, prohibition of all nuclear tests, prohibition and destruction of all chemical weapons, prevention of the arms race in outer space, initiation of negotiations on conventional disarmament, and military disengagement of the great powers and blocs from nonaligned regions.

Nepalese Foreign Minister Shailendra Kumar Upadhyaya appealed for the dissolution of military pacts and alliances, the dismantling of all foreign bases, withdrawal of all foreign military forces, and prohibition of foreign intervention and foreign interference in others' internal affairs.

All speakers urged diversion of resources from armament to national development projects, particularly in Third World countries.

They also agreed that the spread of the arms race into outer space is a threat to the world, and outer space should be utilized solely for the benefit of mankind and no weaponization whatsoever should be permitted.

Many delegates stressed the need for talks on conventional disarmament, which, they pointed out, is complementary to nuclear arms reduction.

The prohibition and destruction of chemical weapons were also demanded by all.

With regard to the establishment of nuclear free zones, Colombian Foreign Minister Julio Londono said, "The developing countries have invariably proved to be victims of the confrontation between the big blocs of political interests seeking military and strategic control."

He said Latin America, Africa, and the Atlantic and Indian Oceans, and the Western Pacific would all enjoy the protection proceeding from being nuclear-free zones.

African delegates emphasized the need for the denuclearization of their continent and condemned South Africa's attempt to acquire nuclear capability with the help of certain Western countries.

Zambian Foreign Minister Mavis Muyanda said nuclear arms in the hands of Pretoria would be nothing but "instruments of terrorizing, intimidating, and destabilizing independent African states."

Final Communique Adopted

OW0106170488 Beijing XINHUA in English 1424 GMT 31 May 88

Havana, May 30 (XINHUA)—The Nonaligned Movement today urged the Third U.N. Special Session on Disarmament to make serious efforts for progress toward nuclear arms reduction first and foremost.

The appeal was contained in a nine-point outline-like plan of action which constituted the last part of a final communique adopted by NAM's first special disarmament meeting before it ended here at midnight today. The movement held the five-day meeting to prepare its positions for the Third U.N. special session devoted to disarmament, which is scheduled for next month in New York.

The plan of action said measures should be taken to expedite the disarmament process in accordance in the priorities established by the first U.N. special session devoted to disarmament, which was held in 1978 on NAM's initiative.

The priorities are nuclear weapons, other weapons of mass destruction, including chemical weapons, conventional weapons and reduction of armed forces. NAM also wanted the work of the 40-member Geneva Conference on Disarmament (CD), the sole multilateral negotiating body, be expedited in accordance with its mandate, on all the items on its agenda.

These include the prohibition and destruction of chemical weapons, a treaty to ban all nuclear arms tests, and the formulation of a general and complete disarmament.

Some other points in the plan of action called for wider negotiations on the prevention of an arms race in outer space, "reversing" of the naval arms race, facilities for global and regional disarmament measures, enhancement of "the effectiveness of multilateral disarmament processes" with "the support of the central role played by the United Nations."

Measures were also urged to "redress the dangers posed by the development of nuclear capabilities by Israel and South Africa," and to implement the action program adopted by the international conference on the relationship between disarmament and development, which was held last September.

The overwhelmingly greater part of the final communique approved tonight was devoted to a series of NAM's observations and international security and disarmament.

Like the separate message sent yesterday to the current Soviet-U.S. Moscow summit, one paragraph in this bulky part urged the two nuclear giants to reach an agreement within this year to cut their strategic arsenals by half.

This agreement, the meeting maintained, "should be followed by the incorporation of other nuclear weapons states into the process of nuclear disarmament."

Another paragraph called on nuclear states "immediately to negotiate" an agreement to ban the use of such weapons, and to pledge not to be the first to use them.

The ministers of NAM also demanded that non-nuclear states be given assurances against attacks employing such weapons.

The passage on the world situation said that "the international atmosphere at present is favorable to progress toward the goal of total elimination of nuclear weapons."

But the ministers recognized that "the nuclear danger had not been eliminated, hotbeds of tension persisted in many parts of the world, and the world economy continued to offer a somber prospect.

TASS on Communique

LD3105233088 Moscow TASS in English 1839 GMT 31 May 88

[Text] Havana May 31 TASS—The Coordination Bureau of the nonaligned countries has ended its forum on disarmament issues here by endorsing the final communique and the plan of action. The forum was attended by more than 100 delegations of nonaligned countries, national-liberation movements and international organisations.

The communique views the Soviet-U.S. Intermediate-Range Nuclear Forces Treaty as an important and encouraging step, stressing the need for efforts to ensure the fulfillment of this agreement and for new steps in this direction. Noting that the conclusion of a Soviet-U.S. treaty on a 50 per cent reduction of strategic offensive weapons became an important landmark in this process, the document calls for signing this agreement this year. The participants in the session spoke out in favour of the third special session of the U.N. General Assembly on Disarmament which opens today and which must make an important contribution to attaining a lasting peace in the world.

The document expresses unreserved support for the principle under which outer space, which belongs to entire mankind, must be used only for peaceful purposes and in the interests of all countries, irrespective of the level of their economic and technical development.

The communique condemns the South African regime, and the strategic alliance between the USA and Israel. It sharply criticised cooperation between several NATO member countries with Israel, which manifested itself, in particular, in nuclear technology transfers and contains an appeal to all states to discontinue any contacts with this country.

The document expresses support for the proposal on creating nuclear-free zones in Africa, the Middle East, in north-eastern Asia, and also zones of peace and cooperation in other regions, in particular, in the South Atlantic and in the South Pacific. It contains a proposal to set up a zone of peace and cooperation in Central America with the withdrawal of all foreign troops from there, which, as it was stressed, would facilitate the solution of the regional conflict. The communique expresses serious concern over increased American military presence in this region.

Peruvian Minister Interviewed

PA0306010788 Havana International Service in Spanish 2300 GMT 1 Jun 88

[Interview with Peruvian Foreign Minister Luis Gonzales Posadas by Barbara Betancourt in Havana; date not given—recorded]

[Text] [Betancourt] Mr Gonzales, we learned that at the plenum you said Latin America brought to this meeting its experience in the search for solutions to regional conflicts. We would like you to tell us more about this.

[Gonzales] First, my friend, I want to tell you I am very pleased to be back in Havana after 14 years. At that time, I came with a Peruvian delegation and met Commander Castro and became acquainted with the nature of the country. Therefore, I am very pleased to be here today after more than 10 years.

In our speech, we pointed out the enormous importance the Contadora and Support Groups have had in preventing an escalation of war that could turn Central America into a territory of death and desolation. I believe the Latin American foreign ministries, specifically those of the Group of Eight, have proven to be responsible, mature, and serious about their efforts, and have presented a highly positive initiative, because it joined the efforts of a group of foreign ministers to set the basis for a peace agreement that was subsequently adopted and expanded by the Arias plan and Esquipulas II. I believe this is a new mechanism that has a very specific meaning: Regardless of the superpowers might and their interests, there is a group of Latin American countries that can develop policies and make great efforts for the sake of peace and collective safety. I believe this has been the great lesson that the Group of the Eight has taught us. We are very pleased about that and reassert our commitment to continue working hard, actively, and permanently.

[Betancourt] This meeting began on the eve of the Moscow summit, and now they are both under way. In addition, the two meetings have a common topic: disarmament. How do you assess this coincidence?

[Gonzales] All progress made in favor of disarmament—even if it is only a 4-percent reduction of nuclear potential, as was agreed upon in the previous summit—is a positive advancement.

We believe that in a world filled with hunger, poverty, and misery—I am basically speaking about the Third World, which is overwhelmed by those problems—we cannot silently and quietly accept the fact that some people spend $1.8 million on armaments per minute. We cannot accept this when there is so much misery, poverty, hunger, and death in the world. We believe this summit is a demonstration of tolerance and that the two superpowers are coming together. We view this summit with expectation. We view it with pleasure as long as the agreements increase in terms of percentage and speed, because by the same measure, funds that can be used as investments that will yield interest for the Third World will be released. We would then have an opportunity to obtain as many resources as possible to face malnutrition, hunger, and misery. Millions of people are expecting mature and sincere actions from those who are responsible for leading nations.

[Betancourt] What can the Third World, Latin America, and the Nonaligned Movement do in that regard?

[Gonzales] They can do a lot, because the developing countries want peace. We do not want our territories to turn into lands of death, confrontation, desolation, and violence. We do not want our countries to become places where the superpowers' strategic conflicts are settled. We are poor countries. We need food, medicine, organization, services, money, and cooperation programs. As I said before: As resources used for the arms race—which only represents a very serious threat of annihilation hanging over the world—are released, we will not only live more peacefully, but we will also have more revenues and greater economic resources to attend to our needs. Latin American views this summit in that sense. This summit is the hope of all the member-peoples of the Nonaligned Movement.

[Betancourt] Thank you very much.

Cuba

Havana Observers View Castro Position on Angola

PA0606003088 Paris AFP in Spanish 1356 GMT 5 Jun 88

[Report by Bertrand Rosenthal]

[Text] Havana, 5 Jun (AFP)—According to observers in Havana today, by stating that Cuban forces control southern Angola and are capable of intervening beyond the Namibian border, Cuban President Fidel Castro has placed himself in a position of force with regard to negotiations with South Africa on the withdrawal of Cuban troops from Angola.

Castro made these statements last week behind closed doors before representatives of more than 100 countries attending a meeting of the Nonaligned Movement Coordinating Bureau in Havana.

The observers, who are still analyzing these statements, said that Castro, convinced that he had changed the balance of military forces in the region, in effect maintained the threat of an intervention.

A guarantee of nonintervention in Namibia had been requested by Pretoria, which is no longer "in a position to request anything south of Angola [as received]," Castro reportedly told the representatives.

The observers added that this guarantee will be proposed during the four-party negotiations between Cuba, Angola, South Africa, and the United States, in exchange for Resolution 435 on the independence of Namibia, a territory which is currently under South African control.

Moreover, the Cuban president said that the calendar proposed by Havana to withdraw troops from Angola in 4 years could be changed.

Castro also said that there are Cuban forces 50 km from the Namibian border, which would allow them to take control of water reserves supplying the northern part of this territory.

According to Castro, troops from Havana also control Angolan airspace, thanks to the arrival of a MIG-23 squadron. He also said that an airstrip is being prepared in southern Angola.

The sources noted that it is located in Xagongo, 60 km north of the Namibian border, adding that the Cuban troops, estimated in November at 40,000 men, were reinforced in recent months.

The presence of Soviet-made T-62 tanks and ultramodern radar and antiaircraft systems have also been reported for the first time in Angola, as has the appearance of mixed battalions of Cubans and members of SWAPO (South-West African People's Organization, which fights for Namibian independence).

After being able to participate directly in the London negotiations last May, Castro was certainly upset by the recent South African-Angolan meeting in Brazzaville, held at Pretoria's request, and he decided to make several points clear to South African authorities.

The Cuban leader reiterated, even in addressing his Angolan allies, that a solution to the problem in southern Africa is necessarily contingent on the presence of Havana [representatives] at the negotiating table.

In fact, said Castro, Pretoria changed its tone in Brazzaville, behaving "arrogantly," while in London the South African representatives were "courteous and decent."

However, Castro did not criticize Washington, which is "motivated to seek a solution."

This statement accords with that of Cuban Vice President Carlos Rafael Rodriguez, who said on Friday at the United Nations in New York that right now it is "possible to find a negotiated solution (to the conflict) in southern Africa.

The observers said that Cuba, while placing itself in a position of force, today seeks a solution that will allow it to leave Angola with its head held high, at least for three reasons.

The reasons are the Soviet willingness to find a negotiated solution to regional conflicts; U.S. recognition that Cuba is a valid representative in an international negotiation; and the high cost of the war in Angola, since, according to Castro, the Cuban aid requested by Luanda is "free."

Rodriguez Attends UN Session on Disarmament

Comments on U.S.

FL0406154588 Havana Tele-Rebelde Network in Spanish 1300 GMT 4 Jun 88

[Text] Cuban Vice President Carlos Rafael Rodriguez said at the United Nations that if Mr Reagan takes steps toward peace, as shaky and slow as these steps may be, Cuba, which considers the United States as its implacable adversary and cannot forget its threats, and is not yet free from its economic and political pressures, would not refrain from acknowledging that positive attitude.

Speaking at the plenum of the third period of sessions [words indistinct] of the UN General Assembly on disarmament, Carlos Rafael Rodriguez said that recent events seem to indicate that the U.S. Administration is taking steps toward peace. The act would be too important to confront it with petty opinions, he emphasized, as he made an unprecedented statement from Cuba toward the new position of the Reagan administration.

Later, Rodriguez emphasized the international atmosphere in which this third period of sessions on disarmament is taking place; he said that gives room for a certain amount of optimism.

Meets With Foreign Leaders

FL0206144288 Havana Radio Progreso Network in Spanish 1100 GMT 2 Jun 88

[Text] Vice President Carlos Rafael Rodriguez attended a luncheon hosted by UN Secretary General Javier Perez de Cuellar yesterday. The heads of delegations attending the General Assembly's special session on disarmament were also present.

Yesterday, the Cuban leader met with Julius Nyerere, chairman of the South-South Commission; the chief of state of Cyprus; the prime minister of Sweden; and the foreign minister of Iran.

Meets Alfonsin, U.S. Cardinal

FL0206232488 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Jun 88

[Text] While at the third UN General Assembly meeting on disarmament, Argentine President Raul Alfonsin met with Cuban Vice President Carlos Rafael Rodriguez.

The high-level Cuban official later met with New York Cardinal John O'Conner.

Havana Views Duarte Legacy in El Salvador

PA0406023388 Havana International Service in Spanish 2300 GMT 3 Jun 88

["Our America" commentary read by Manolo Ortega]

[Text] A controversial political panorama, an economy in ruins, and the prospects of a Christian Democratic defeat in the March 1989 presidential elections is the specter that Jose Napoleon Duarte, chief of the Salvadoran regime, leaves behind as he travels to the United States to treat a bleeding gastric ulcer that local sources have confirmed is malignant.

In the last year of his term Duarte can offer very little to those who at one time thought that his arrival in the presidency would be the effective maneuver that would put an end to the popular struggle in the smallest Central American nation. During his presidential term there has been a continuation of the massacres of peasants and the violence by the repressive forces in the cities, and the economic situation has deteriorated to such a degree that it has stirred the rejection of power groups that in the past applauded the so-called reformist formula sponsored by Washington through the local Christian Democrats. The so-called economic package swindles to finance the counterinsurgency plans promoted by Washington and the Salvadoran military began to affect the oligarchic sectors, and such disputes were clearly reflected in the majority victory of the extreme rightist Nationalist Republican Alliance, ARENA, in the 20 March legislative elections.

Today, that group controls the new Legislative Assembly, which is headed by Deputy Ricardo Alvarenga, one of the main ARENA leaders, who quickly warned that his plan is to promote reforms that will give a serious push to private enterprise. Of course, observers agree in stating that the solutions that will really resolve the Salvadoran problems are quite removed from the traditional paths filled with disputes among the representatives of the oligarchic power; proof of this is that neither Christian Democrats nor ARENA supporters seriously talk about promoting a broad national dialogue that will recognize the decisive role that the popular revolutionary movement has in the country.

To date, Duarte has rejected the dialogue proposals formulated by the guerrillas, and his few meetings with the insurgents can merely be described as demagogic maneuvers. For its part, the extreme right wing advocates a scorched-earth policy, further removing the possibility of understanding.

Another important aspect is Duarte's deterioration while the United States delays its plan for El Salvador. [sentence as heard] One will have to see what option Washington will support in March 1989 in a country whose difficulties stem from an unjust structure that burdens the people with reactionary violence and social problems so brutal as a 62-percent illiteracy rate, unemployment that affects more than half of the economically active population, and an infant mortality rate of more than 70 deaths per 1,000 live births.

New Higher Education Enrollment Process Viewed

FL0106233988 Havana Tele-Rebelde Network in Spanish 0100 GMT 31 May 88

[Remarks by Miguel Torres, vice minister of higher education, and Francisco Ferreira, general director of the Technical and Professional Education Directorate of the Education Ministry, on new process for enrollment into higher education institutes on the "Open Agenda" program hosted by unidentified moderator; date and place not given—recorded]

[Excerpts] [Passage omitted] [Moderator] As previously announced, our "Open Agenda" program today will clarify questions some students and their families have regarding the new enrollment system for higher education. [passage omitted]

To begin the discussion, I would like Comrade Torres to answer two questions: What are the fundamental factors that were considered when this system was established, and what are its principal characteristics?

[Torres] I would like to try to explain what we have done with groups of students. It was discussed at the FEEM [Federation of Mid-Level School Students] congress. There are two situations in particular.

The first situation has been occurring for 3 or 4 years. It creates a contradiction because not everyone who finishes 12th grade goes on to higher education institutes. Certain courses are required to do this. It is a sign of the development that has occurred in the education sector because of the Cuban revolution.

The other factor is the transformation of the pre-university institutes themselves. It is a true and profound transformation that has set an example for the scientific training of youths.

The previous system used the academic level as the factor that decided student merit. This measure was not uniform because of the different types of pre-universities that exist. [passage omitted]

It became necessary to adopt a formula—which of course could not be reached in a short time—that would allow us to respond better with regard to the quality of students entering higher education institutes, improve the selection process, and respond to social interests while maintaining individual values, the youth's ambitions. The formula also has to be just, which is an important factor. It is important to reach a solution that will allow us to respond better to the youth who wants to continue with higher education so that he feels satisfied with the career he selects. This should also correspond to the country's development goals. [passage omitted]

[Moderator] I would like Comrade Torres to remark on the entrance exams and describe how they will take place.

[Torres] This is a very interesting question. We know that the student masses are also wondering about this. The purpose of the exams is to contribute to the selection of students who wish to enroll in higher education programs. The exams were not conceived with the intent to limit access to education. It is a method used to select the best students. Several measures have been taken to achieve this.

The first step is the selection of those who will take the exams. This will not be the exclusive responsibility of university professors. Examinations will be given by university and pre-university professors. It will be done by a team of comrades who are highly trained and experienced, and who have been working many years in the education area and have had direct contact with the student masses. This will (?help ease people's concerns).

Even though a student of the hard sciences has a more intense level of training, everyone who is prepared in the basics, the fundamentals of each of the subjects in which he will be tested, has the same opportunity to pass the exams. Another very important aspect is who will qualify to take these tests.

A network of approximately 65 or 69 offices will be established throughout the country by the pre-university institutes themselves. The exams will be evaluated by tribunals which will be comprised of higher education and pre-university professors. The tribunals will be composed of people who have more training and experience and achieved the best results in their pedagogical work.

Another significant element is that no professor can by himself completely evaluate a student. This will be determined by a combination of questions. Each professor on the tribunal will ask one question. This way the analysis and grading of the exams will be a collective effort. This is an important component and we find it beneficial to report this to the student population and, above all, to their families.

We have no intention at all of denying that there are concerns about this procedure. We ourselves are concerned about certain matters and we are obligated to continue perfecting the system. We will clarify this process as it develops. We have to reach a balance. We cannot formulate a procedure for access to higher education when the dossier is the only determining factor. A combination of factors is necessary, including knowledge.

Great weight has been placed on this balance. We are not trying to make the student's dossier or the exam be the only element used in the enrollment process. These two elements have to be combined. The students' own experiences and opinions and the analysis made by the specialists will help us regulate enrollment, which has increased. [passage omitted]

[Moderator] In reference to enrollment in the technological and professional area, I would like Comrade Ferreira to tell us what possibilities exist and what is being offered to students now that there will be more options.

[Ferreira] As of the school year beginning in September, new specialties will be available in technical and professional education. These specialties will now have a wider scope. They will respond to many of the remarks made by the youths at the FEEM congress.

Within a framework of 98 specialties, 80 involve mid-level technician training. Of these 80 specialties, 78 will be offered to students who have graduated from pre-university institutes.

Those pre-university students who are not able to enroll in higher education courses will have the option of enrolling in the different technical and professional training courses. We also try to respond to the student's vocational interest. A particular student may want to study electronics. This specialty requires a high grade point average and many want to study in this field. Nevertheless, the student

is given the possibility of studying in an electronics institute. The enrollment option will be available to the student based on qualifications.

We have established a system whereby we will allow enrollment immediately after the second round of (?examinations) has ended in the higher education field. We are very prepared for this. Everything is ready. The student will be able to choose this option as soon as he knows if he was or was not accepted into an institution of higher education.

A parallel system will also be operating. Since time is so short, the students who will be taking the entrance exams for higher education can as of now, May, begin selecting the specialties they would like to study in the technical and professional area. They can take their entrance exam for higher education and, as of now, they can also select their areas of interest in the technical field.

There will be one list. Those who are admitted into the field of higher education will be taken off the list and we will be left with the names of those who were not admitted. Enrollment into technical-professional education will be decided in the most fair manner because if we proceeded any other way, the student who already knows he will not be admitted to a higher education institution may decide right away to sign up for the mid-level technician training. If we give him this spot now, we would be taking away the right of the student who wants to continue his education but cannot do this at a higher education institute.

Therefore, we will make our decision after the higher education process is completed. It will be based on the municipality where the student resides. Since this will be in August, the student will make his request at the student center at his pre-university. Enrollment will be based on municipality of residence where there is a distribution of spaces that is sufficient so that no student is left out.

Options are available for all vocational interests. In all cases, we will have strong practical training and the student will feel secure when he enters the work center. He will be able to do his work because he will have a strong training background. We think that this is one of the best ways to make the student feel this awareness toward work. [passage omitted]

This doesn't mean that once a student graduates he will be offered a position as a skilled worker. The student who graduates from a polytechnical institute as a mid-level technician will have the qualifications to take a position as a skilled worker. This doesn't mean that there's no possibility for obtaining this type of work. Whether or not he gets a position as a mid-level technician, quality control specialist, or any other position depends on the country's needs at the time.

In reference to salaries, I do not want to go into this topic too deeply but there are many skilled workers who have high salaries depending on the complexity of the work or work conditions. A skilled worker at a workshop could have a salary that is higher than a person who has a technical position in quality control, in technology. The salary depends on the complexity of each job, each situation. [passage omitted]

[Moderator] I would like to know what Comrade Torres has to say about students' concerns.

[Torres] [Passage omitted] The students are concerned. They have expressed themselves at other meetings, other talks. Whether or not those who study medicine, take teacher-training courses, or study for other careers should take entrance exams is being analyzed.

There are reasons entrance exams were not required for either of the two current medical detachments. They both have a working history. Their selection process began before the FEEM congress. They applied the existing selection process. It would have been very difficult to break off the established system to incorporate the entrance exams in this important profession. [passage omitted]

[Moderator] I would also like to know what you think regarding the role of the family in the new enrollment system for higher education. We know that many parents want their children to be university graduates. It is possible that they feel frustrated when this does not happen. [passage omitted]

[Torres] I think this is an important topic. The family plays an essential role in our society. It is the nucleus of our development. The country has to work toward informing our families about the reasons for certain changes in the training of youths, higher education, education in general, and in the sciences.

This involves certain concepts. For years it was thought that one had to go to the university to be useful. This is an idea that needs to be changed in the minds of many comrades. The social hierarchy for mid-level technicians, skilled workers, has to change. We have to change the opinion that if one is not a university graduate one cannot offer a high degree of social service or be of great value in the development of the country. [passage omitted]

Our people, our families, are very revolutionary. They will certainly be very understanding of these changes. Sometimes what is needed is for the appropriate information to be provided in time so that a better understanding of these matters can be achieved. [passage omitted]

Further Reports on Flooding Situation, Losses

FL0306202188 Havana Radio Reloj Network in Spanish 1926 GMT 3 Jun 88

[Text] The hurricane command center in Ciego de Avila has reported that the intense rains have resulted in more material losses. The number of homes destroyed is now 109.

The center also reports that 2,398 other homes have been damaged, including a tailor shop that collapsed. More than 20 km of highways and railroad tracks have also been damaged.

Ciego de Avila has not yet reported any loss of human life. However, 5 people were slightly injured. It was reported that 3,800 animals died from the heavy rains.

As of early this morning, the amount of rainfall in the province decreased. Nevertheless, rivers, arroyos, canals, ravines, and reservoirs have high water levels and they could overflow easily if the weather situation worsens.

Senen Casas Inspects Damage

FL0306232288 Havana Radio Rebelde Network in Spanish 2244 GMT 3 Jun 88

[Text] Division General Senen Casas, alternate member of the PCC Politburo and first vice minister of FAR, has visited the Sancti Spiritus Defense Council, where he received a detailed explanation on the most serious damage caused by the heavy rains and high winds of the past few days.

Senen stressed the need for immediate repair of the damage, especially the railway line that connects the port of Casilda with the main line. It (?needs to be used) because of the total destruction of large bridges over the Agabama River.

Civil Defense Assesses Damage

FL0406015288 Havana Televison Service in Spanish 0000 GMT 4 Jun 88

[Text] The command post of the National General Staff of the Civil Defense says in its Information Note No 7 that, considering the changes that have occurred in the meterological situation and the assessments made, Matanzas and Las Tunas Province have returned to a normal state. Villa Clara and Cienfuegos Province continue to be in the recovery stage. Sancti Spiritus and Camaguey Provinces are in a state of emergency because of the intense rains. [Information Note No 8, read at the end of the newscast, indicates that Sancti Spiritus, Ciego de Avila, and Camaguey Provinces have been declared to be in the recovery stage as of 2300 GMT]

Of the 116,390 people who were evacuated, 31,980 were placed in shelters. The provinces that evacuated the most people waere Ciego de Avila, which evacuated 30,027 people, 17,480 of whom received shelter, including 2,323 students; and Camaguey, which evacuated 34,552 people, 4,843 of whom were given shelter, including 1,254 students. Of the students evacuated, 120 were taken to shelters.

Regarding personal losses, 23 people were injured and 15 people died. It has been confirmed that two of the deaths were due to lighting, eight were due to carelessness, and the causes of five deaths are under investigation. Eleven of the deaths occurred in Cienfuegos Province, one occurred in Villa Clara, one in Camaguey, and two in Sancti Spiritus. The name of the most recent victim in this last province is Valentin Camejo Rodriguez, 32 years old, from Taguasco municipality.

The Civil Defense note also reports that the heavy rains damaged roads in 131 locations and railway lines were affected in 53 locations. Also damaged were 22 electrical and 21 phone lines. One hospital and three schools were also damaged.

The provinces that have reported the most damage to houses are Cienfuegos, with 1,150 houses affected, 128 of which were totally destroyed; and Ciego de Avila, reporting 1,518 houses affected, 91 of which were destroyed. Altogether, 3,526 houses were affected, 370 of which were totally destroyed.

The number of animal losses reads as follows: 503 head of cattle, 79 pigs, 766 sheep, 12 horses, and 17,890 chickens.

Regarding rescue efforts, FAR and the Interior Ministry have employed the use of personnel and equipment. For example, FAR has used 1,100 troops, helicopters, boats, trucks, and communications equipment.

Internationalists Honored for Angolan Service

FL0306154588 Havana Radio Reloj Network in Spanish 1408 GMT 3 Jun 88

[Text] Eight Pinar del Rio internationalists who participated in the battles of Cuito Cuanavale have been honored at the protocol room of the Pinar del Rio provincial party committee.

Fidel Ramos Perera, member of the PCC Central Committee and first secretary of the party in the province, said that they represent the vanguard of the Cuban people because of their courageous attitude toward the enemy. He said the honors from the province are in addition to other decorations they have received. He also urged them to continue with their firm and decisive attitude in production with the people of the province who are working on tasks of great importance.

The Pinar del Rio internationalists who were honored are: Barbara Calejo Prieto, Daniel Ortgega Carrillo, Juan Amador Torres, (Francisco Sarcun Gutierrez), (Silvia Perez), Eduardo Martinez Rodriguez, Jesus Serrano Roque, and Ernando Cuellar Martinez.

Bahamas

Prime Minister Addresses Labor Day Rally

FL0306191588 Nassau Domestic Service in English 1728 GMT 3 Jun 88

[Passages in quotations recorded]

[Text] It's Labor Day in the country, a national holiday, and the activities started with the traditional Labor Day parade around 0930 this morning. The Trade Union's Congress and the newly formed National Workers' Council of Trade Unions and Associations led separate parades.

Prime Minister Pindling led PLP [Progressive Liberal Party] supporters on the march with the newly formed National Workers' Council of Trade Unions and Associations. Following the parade, Sir Lynden addressed the rally at Workers' House and called on the employer and the employee to unite.

[Pindling] "If it is not possible for the two groups to come together, it is going to be a longer, harder struggle to bring the matter to a resolution that will satisfy the interests of all concerned. By all concerned, I mean the employer and the employee, because I have been around here a little while and I know it is important to help the employer out, because if you don't have the employer, you are going to have no employee."

On the bus system in the country, the prime minister said it is a difficult situation.

[Pindling] "We, in the government, have been trying but [words indistinct] many people a chance and the granting of franchises to operate buses. But apparently, it hasn't worked because the public isn't being served properly and the drivers are unhappy, and some of the drivers make everybody else unhappy. And so, obviously, we have to find another solution. My solution, if I can have my way, which I don't know is the right way, but my solution would be for there to be one single bus company for the whole island and the public. Whether that bus company is owned by the government or whether it is owned by a private company, it doesn't really matter. But then, you will have a single employer who can provide [words indistinct] bus driver [words indistinct] in a job today. He is the bus driver and he's got to collect the money. There is no driver in the world who can keep one eye on the road and one eye on the [words indistinct]. It can't happen."

The Trade Unions' Congress [TUC] parade led by President Arlington Miller ended at (Christie Park) with a rally. Among those addressing the rally was the secretary general of the unions, Mr A. Leonard Archer. Calling for unity among the unions in the country, the TUC also criticized the Bahamas Hotel Catering and Allied Workers' Union for marching with the PLP. Activities started for the TUC yesterday with an exhibition in the foyer of the Post Office. Last night the union's leadership celebrated with a religious service at St John's Baptist Church.

Guadeloupe

Controversy Over Incident in French Army

FL0306125588 Bonaire Trans World Radio in English 1130 GMT 3 Jun 88

[Text] There is political controversy in Guadeloupe over an alleged act of racism by the French Army against a West Indies recruit. The affair began when Private Bernard Allister did not report to the office of his commanding officer as ordered to do saying he was too sick to obey the order. Reportedly he was then placed under arrest by military police for insubordination and mistreated.

Jamaica

Poll: PNP Could Win 45 of 60 House Seats

FL0306202088 Bridgetown CANA in English 2217 GMT 2 Jun 88

[Text] Kingston, Jamaica, June 2, CANA—The opposition People's National Party (PNP) could win between 40 and 45 seats in the 60-member House of Representatives in a general election, according to pollster, Professor Carl Stone.

A recent Stone survey gave the PNP 48 percent support among the electorate, against 35 percent for the ruling Jamaica Labour Party (JLP). Our overall Stone poll prediction based on the April 1988 poll results is for somewhere between 40 and 45 seats for the PNP and 14 to 20 seats for the JLP in the next parliamentary [elections] in Jamaica, Stone said in a projection published Thursday.

Stone gave the PNP 39 seats for clear wins against 14 for the JLP. He considered seven of the seats marginal with the PNP holding a lead in six. The PNP was expected to do its best in western Jamaica where is was expected to win 13 of the 16 seats, with JLP showing a clear lead in only one. Two others were marginal.

The JLP, which has been in power since its 1980 landslide victory when it won 51 of the seats, is strongest in eastern Jamaica, where it is likely to win six seats against the PNP's 10 with three marginal.

In the central parishes Stone made the PNP clear favourites for 16 seats, with the JLP expected to win seven. Two others were marginal.

Trinidad and Tobago

New Inquiry Ordered Into Army Camp Explosion

FL0206205588 Bridgetown CANA in English 1529 GMT 2 Jun 88

[Text] Port-of-Spain, Trinidad, June 2, CANA—President Noor Hassanali has set up a new commission of enquiry into an explosion at a Trinidad Army camp last month which killed six servicemen. The three-man commission has also been asked to review an internal report on the April 26 incident at Camp Omega.

The explosion of an ammunitions bunker occured as a group of 40 firemen and soldiers were fighting a bushfire on a nearby hillside. Officials had reported that the bunker had never been designed to house explosives.

An internal defence force report had been handed over in May to government which had promised to take future evasive action but the report was never made public.

President Hassanalis new commission has been mandated to investigate the use which was made of Camp Omega, the suitability of the camp for these uses, the adequacy of security at the camp site, the cause of the explosion and its effects.

Head of the team is appeal court Judge Alcade Warner, acting Assistant Solicitor General Cecil Bernard, and Dr Stefan Gift, an electrical engineer and scientist.

Costa Rica

Panamanian Charges 'Intolerable Accusations'

PA0406170188 San Jose LA REPUBLICA in Spanish 27 May 88 p 14

[Editorial: "Intolerable Accusations"]

[Text] The Panamanian Government, persistently trying to divert the world's attention from the grave political, social, and economic problems that are choking the country and have precluded the achievement of an authentic democracy, has found a new excuse to strengthen that distorted, slanderous campaign of making fanciful accusations against Costa Rica.

This attempt to undermine Costa Rica's international image is not new. The first efforts made directly by General Manuel Antonio Noriega to cast suspicion on our country began after Dr Hugo Spadafora—an idealist, guerrilla fighter, doctor, and writer—used the Costa Rican media as an open and free forum to make a series of accusations about the crumbling Panamanian democracy, the severe socioeconomic problems afflicting that country's citizens, and Noriega's machinations and juggling to turn Panama into his personal fiefdom.

Following Dr Spadafora's vile murder in David and the lack of evidence to back the charges that our country was a den of agitators who wanted to destabilize the Panamanian Government by remote control, new stories, which Jules Verne would have been proud of, were concocted to show the world a Costa Rica that violated international treaties and used its proclamation of neutrality and its bilateral agreements—for mutual assistance in case of natural disasters or similar problems—as a springboard to launch a rebel invasion against Panama.

The latest tale, which prompted our security forces to carry out investigations, patrols, and intelligence operations all along our joint border, was completely rejected as false. A month's worth of efforts had failed to ascertain any irregularity or movements of Panamanian rebels in the zones proclaimed as "sanctuaries" for guerrilla fighters ready to cause bloodshed and disrupt peace in that fraternal country.

Late in 1987, when the United States began to investigate Gen Noriega's possible links with international drug traffickers and weapons smugglers, and following reports about the wave of repression unleashed by Noriega against the opposition, Dr David Pere, Panamanian ambassador to Costa Rica, disregarded all the appropriate diplomatic procedures and channels to renew the charges that an armed group was training and setting up supply bases in the Coto Brus mountain range and the Kamuk Hill area to disrupt order in Panama. Once more the authorities searched the country's southern mountain areas, but to no avail. Panama's would-be invaders again failed to surface. Furthermore, an expedition of the "Falcon Nest Climbers," which spent several days hiking in Kamuk Hill around that time, later reported they only found the remnants of an old camp 3,000 meters above sea level. The camp had been used by mountain climbers when they explored that icy zone of the Talamanca mountain range 2 years earlier. The mere idea that "phantom guerrilla fighters" had trained in a cold mountain climate to fight in a tropical jungle at sea level is totally absurd and unbelievable.

The government-controlled media and Gen Noriega's spokesmen have increased these types of accusations against Costa Rica and its president, whom they daringly depict as a person who tolerates these wild adventures. It is necessary to issue a strong direct protest to the Panamanian Government.

Our national authorities have been excessively diligent, even when investigating mere rumors, and there is not a shred of evidence that some kind of group opposed to Gen Noriega has taken to Costa Rican territory to prepare and launch attacks on that neighboring country. In any case, it seems a repetition of the old Sandinist method of reviving stories once in a while to divert the world's attention from the totalitarian or antidemocratic sins afflicting both Panama and Nicaragua.

President Arias Leaves for United States

PA0406220388 San Jose Radio Impacto in Spanish 1830 GMT 4 Jun 88

[Text] Today President Oscar Arias left for the United States aboard an Eastern Airlines flight that left Santamaria International Airport at 0820. Arias has received invitations from Harvard University and UN Secretary General Javier Perez de Cuellar and will meet with two presidents, a prime minister, and a Democratic presidential candidate.

Tuesday in New York Arias will meet with his Portuguese counterpart, Mario Soares, and Israeli Prime Minister Yitzhaq Shamir, both of whom are attending the special UN conference on disarmament that opened Monday.

Wednesday, Arias is scheduled to meet with Mexican President Miguel de la Madrid and deliver a speech on disarmament and development at the United Nations. [Words indistinct] early during the day with U.S. Democratic hopeful Michael Dukakis and will then go to Harvard University as the main commencement speaker.

Harvard University has just instituted two Oscar Arias scholarships for peace for Costa Rican students as a tribute to the Nobel Peace Prize won by the president last year. Official (?sources) said that Arias' work will begin Monday in Boston, where he will talk with several businessmen and politicians.

Arias will be replaced during his 7-day absence by First Vice President Jorge Manuel Dengo. Second Vice President Victoria Garron and Education Minister Antonio Pacheco

are accompanying Arias. Foreign Minister Rodrigo Madrigal Nieto and first lady Margarita Penon de Arias will join the retinue on Wednesday at the United Nations.

El Salvador

Duarte State of Nation Address

PA0206194988 San Salvador Radio Cadena YSU in Spanish 1650 GMT 1 Jun 88

["State of the nation" address by President Jose Napoleon Duarte on the occasion of the 4th anniversary of Duarte's coming to power at the Blue Room of the Legislative Assembly—live; read by Acting President Rodolfo Antonio Castillo Claramount. Following is a substitute for "Castillo Reads State of Nation Address," published in the 2 June Latin America DAILY REPORT. This substitue from better reception allows for rewording and clearing words indistinct]

[Text] God save you sacred fatherland; we were born and have loved in your bosom; you are the air we breathe, the land that we stand on, the family we love, the freedom that defends us and the religion that comforts us. Fatherland: Your history is the coat of arms of heroes and martyrs, a coat of arms that describes our virtues and hopes. You honor the document that consolidated our national sovereignty; you show us the flowery path on which justice and liberty leads us to God. These come from the prayer to the flag.

Compatriots: I wanted to begin my speech with these beautiful ideas of the prayer to the flag because I wish them to be an appropriate framework of this message to reaffirm my permanent devotion to the fatherland, the exaltation of which has been the most sacred ideal of my life.

I come here again, on the 4th anniversary of my administration, to address the nation. I want us to reflect together on the overall situation of the country and on the many obstacles we have had to and continue to tackle to prevent economic and institutional collapse. We must also reflect on how, despite the obstacles, we have made progress in fulfilling promises made to the people at the beginning of my administration.

On this occasion, because of health reasons, the annual report of my government, which I must present to the honorable Legislative Assembly and address to the sovereign people, will be read by the Republic's vice president on my behalf. In this way, I will be complying with the imperative order of reporting to those who entrusted me with governing the nation to seek peace and the common good of all men and women who make up the Salvadoran family.

When I assumed the responsibility of guiding the fate of our country, we were in a crucial phase of our history. In keeping with my political conviction and Christian principles, I accepted the challenge. Since then, I have dedicated my greatest efforts toward strengthening ongoing socioeconomic reforms, working toward achieving a participative society, struggling to seek social justice and our people's well-being, trying to achieve a high degree of respect of human rights, facing the economic crisis with integrity, and taking all the necessary steps to achieve peace, which is the greatest national aspiration.

I was ordered to steer the vessel of the state when there were unequivocal signs that a storm was coming. However, I have always had faith in the Lord and my brothers, and that is why we started our journey together determined to face all risks and dangers. The will of my people has led me to sail on a sea that is increasingly stormy amid the danger of clashing currents.

The absence of favorable winds and the persistent adversities along the route contributed to preventing us from making the voyage according to our high intentions. Although it is true that I accepted the challenge to overcome the effects of a crisis, a historic product of our domestic structures and regional and world phenomena, such a challenge did not imply accepting the blind intransigence of the terrorist organizations and the unpredictable natural disasters.

On pointing out the origins of the crisis, it is important that we remember that deep processes of renewal leading to social justice and democracy began in this decade in Latin America. In these processes, and specifically in the case of El Salvador, it is extremely hard to achieve spectacular advances quickly because various interests exert pressure and become polarized, halting the new political, social, and economic measures. Even though there is a silent struggle to turn back what we view as a transforming justice, the progress made in that respect is irreversible. This is not always easily understood by those who directly benefit from it and not easily accepted by those who believe they are harmed by it.

By promoting these urgent changes in our society, we have had to face heavy opposition and attacks against peaceful development from the obscurantist forces and terrorist groups, which not only seek to hinder the democratic process that has been begun but also to destroy the country's institutions and, with them, the very existence of the Republic.

That is why I think it is time for us to reflect about the just and legitimate ideals that have guided the government and that represent many hopes for my people and my fatherland. Hope is desire projected to the future about something good and positive that can occur and, if fulfilled, will somehow favor our personal activity or that of our society. The peoples live through hope. History is nothing more than the realization of the hope of those who have put their sight and future in the hands of God and the results of their own efforts and sacrifice. A government plan is nothing more than a systematic organization of hopes, the essential objective of which is to create a better world for everyone. Logically, with

each hope there is growth of expectation. Expectation arises from our own human nature. Men have a justifiable tendency to think that things will happen immediately. Therefore, it is evident that peoples want to achieve their hopes with the light of the new day. They forget that emerging out of a situation of generalized violence, overcoming a phase of social uncertainty, and reestablishing faith in creative work is obviously a continuous task that belongs to everyone.

Democracy, peace, and economic prosperity evolve from that effort and sacrifice. They are the result of long hours of work and dedication in favor of those objectives. When the people expect quick and easy solutions, they are not aware of how hard and difficult it is to make wishes come true, because democracy, peace, and progress are not the bright result of magic tricks. On the contrary, they are the sum of the efforts that are carried out with the general consensus which become acts of respect and justice among all and for all.

With this philosophy, all my government's measures and decisions have fallen within the framework of a new historic model of democratic revolution. They have been based on the national interests—developed within a dynamic perspective that views man as the beginning and end of state activities—and they seek primarily the common good of each individual and the supreme good of each community. I have maintained that the common good is a sociological concept whose sense and meaning is defined by historic or human circumstances. In Salvadoran society, burdened with an irrational and cruel war, the common good should be translated into the search for a political, economic, and social democracy that will tend, ethically, materially, and spiritually, to the basic needs of the people and the defense of the rights and duties of men. It should also seek the protection of social freedoms with a clear intention to promote a broad expression of good faith and will for the achievement of social peace.

Within this conceptual framework, we have worked to establish a true democracy in our country, taking all the political risks that such a decision implied. As a result of this, and long before the commitment established in Esquipulas, we have maintained the utmost freedom of expression for all political and ideological groups. This achievement, which is the most important demonstration of real democracy, not only has served to expand the journalistic field but has also opened the doors to a new political activism that had never before been experienced by the Salvadoran people. This has meant an extraordinary experience that will contribute to the development of new political institutions and a better civic education for our citizens.

In addition, as a result of the March elections and by virtue of the existence of political pluralism, we now find that the party composition in the Legislative Assembly is very different from the previous period. Even though the popular verdict of 20 March was contrary to our own historic and political concept of the national reality, the truth is that the people freely cast their vote. The exercise of this right cannot be distorted in its essence, because today's citizen understands the value of his participation, and he participates with great civic responsibility, without the manipulation that existed in the past and according to his conscience as a free man.

The Armed Forces: During the past few years, a state institution has had the enormous responsibility of protecting our lives and safeguarding our freedoms. That institution is the Armed Forces, which in a continuous act of heroism and courage has faced internal and external aggression in our confrontations with the Marxists. Every soldier, every officer, and every commander has fulfilled his commitment from his battle station, and he has stoically endured the hardships of the conflict to preserve the country's sovereignty and the essence of our nationality. As head of the government, I recognize their sacrifices and I am sure history will record in its pages the heroic deeds of our soldiers, who are the bastions of democracy, champions of peace, and true defenders of their people.

Human rights: When speaking about democracy, I must make reference to human rights, to the population, and to the progress made by this government in this area, which has the direct and implicit recognition of the international community. It has been said that only governments can violate human rights. Those who have said this have wanted to create a distorted image at an international level of constitutional and democratic governments such as ours. It is obvious that in our country there are organizations that violate these rights, such as the FMLN-FDR and its groups, which enjoy political freedoms but daily violate the human rights of an entire people, who with great courage struggle to live and work in an atmosphere of peace and justice without impairing their freedoms.

Our position and our conduct are in keeping with our Christian principles and our democratic beliefs. For this reason—without exercising our right of legitimate defense, which all governments have to counteract the destabilizing actions promoted by international terrorism—we have made every effort to stop abuses of power and all conduct leading to a violation of human rights. It is regrettable that following the 20 March elections, violence has increased in the country. Different sectors have justly condemned it, especially the church, which has expressed its concerns for the return of the extremist death squads that seem to be coming back to life. In this regard I continue to be firm. We will continue to fight anyone without giving up the struggle to end human rights violations, no matter who the criminal is.

Peace: I promised to work for peace and I have carried out every effort in search of it because my idea of peace can be described by the sublime and noble manner in which it is illuminated and because I believe peace can lead to the progress and welfare of society. According to Aristides Galvani, peace is a dynamic social process with an ethical inspiration, and it must be politically led. Since 8 October 1984 I have taken the initiative to work

for peace through a dialogue because I have always felt that words were man's first virtue for understanding and that one of the highest tributes to intelligence was convincing through reason instead of imposing by force. This is the path we have followed: the United Nations, La Palma, Ayagualo, Sesori, Bogota, Mexico, Panama, Los Angeles, Lima, Essen, Guatemala, Caracas, and finally San Salvador in 1987 in the framework of Esquipulas II. The path for peace has been full of obstacles and our political plans and purposes to reach those objectives have been unfairly put to a test. It has never been viewed as the end in itself but as the basic starting point so all sectors of the country can freely and peacefully participate in government and society.

Peace may be defined academically, religiously, militarily, politically, and in many ways, but for our people, regardless of any belief, it is their dearest wish. Everyone knows that it has always been a fact that proud nations do not accept any impositions. Everyone knows that freedom, democracy, and peace are aspirations, whose value increase when people have actively participated in their creation with great sacrifice and stoicism. For this reason, to disregard such high values is to voluntarily refuse to find the path to make these aspirations a reality.

My road toward peace has been blocked by extremist forces, which have delayed this conquest that is the highest aspiration of mankind and our people. I do not doubt that at certain times we are too idealistic, but who will not work toward an ideal if he does not believe it is fair and beneficial for his people? We cannot forget that the causes of the national conflict have deep roots in our society, and along with the commitment to hold talks, we must work together to overcome the unjust order and the extreme poverty that are likewise a form of violence. We must be aware that peace is not a jewel that can be found at the bottom of the ocean or in the deepest parts of the earth, but it is an invaluable asset that is fundamental for freedom and a direct result of justice.

That is why I want to urge each and everyone to accompany me on the path we have yet to follow. Peace should be the first thing in our hearts. Let us cast aside hatred, rancor, resentments; let us set aside violence and walk united toward a state of tranquillity and respect that our people are crying for and that our conscience is fervently demanding.

For the good of the nation, particularly for the men, women, and children, let us join the pacification process, for the sake of the blood our youths are shedding. We are talking about useful lives that are being lost. The time and effort that should be devoted to work are being wasted in a fratricidal, crazy destruction.

That is why I am publicly asking you: Let us find, as soon as possible, a formula for a national solution that will consider the liberties of our people and the institutionality of the Republic. This should be a feasible proposal that will allow everyone to join the democratic process we have obtained with so much effort and sacrifice and are defending with so much force.

The people do not want more war, because it negates life. Our soldiers are offering their lives in a supreme sacrifice to the fatherland and its freedom. They defend what is ours. Let us make an effort to defend them, to proclaim our unity for the sake of peace, freedom, and justice.

Social policy: As long there is war, there cannot be social development, because the effects of the war hinder all political initiatives that might lead to respect and protection of human dignity. This human dignity becomes evident through access to education, work, health, housing, and all those needs of man. There is no doubt that along with the great task for peace and freedom, we have had to devote our greatest efforts to counter the impact of the economic crisis worsened by violence and terror. Taking these factors into consideration, it is highly positive to point out that the agrarian reform has helped over 350,000 peasants; thanks to the massive vaccination campaigns, many diseases that used to seriously affect children have practically disappeared.

Education continues to have priority within the government program, because we understand that if we offer a better education, we will have better citizens and an atmosphere adequate for national development. Unfortunately, the violent situation has neutralized the productive situation and has therefore affected employment opportunities. However, we have promoted favorable conditions as much as possible. Last year we created 26,000 new jobs, and we expect to do likewise in 1988.

The October 1985 earthquake worsened the low-cost housing situation; therefore, we made a tremendous effort and found homes for all those left homeless. A low-cost housing program is being carried out that will provide approximately 11,000 housing units by the end of this year. If we managed to do this within the crisis, it is very probable that during normal circumstances our attention to social programs would have been greater.

Economic policy: The restrictions in the social field were also quite powerful in the economic area. The summary of the negative factors such as the drought, the terrorist sabotage against the national productive system, a reduction in the capacity to generate power as a result of the damage done by the Marxist subversion and the delay in the rains, and other factors, such as the increase in the price of petroleum, the drop in the price of coffee, and a new reduction in the sugar quota, led to serious disruptions in our economic program. In spite of all this, the effective management of the financial policy allowed us to maintain the economic program and meet the goals proposed in order to advance in the process of halting the macroeconomic imbalance.

For example, in 1987 the gross national product grew 2.6 percent in actual terms, which is 2 percent higher than it was in 1986 and above the planned 2.2 percent.

The annual inflation rate, which reached 31.9 percent, dropped to 24.9 percent at the end of 1987. This achievement is considered an important step toward the country's economic stabilization.

Our net foreign reserves reached $50.7 million, which far surpassed our goal of $6.5 million.

The positive achievements attained amid the crisis show us that although they caused disagreements in some sectors, the measures adopted were useful in positively facing the generalized crisis.

The legal instruments we gave to the farming, banking, and fiscal sectors significantly contributed toward having a more realistic vision of the solution to problems. In addition, we created a refinancing fund of 400 million colones to reactivate the industrial sector and to strengthen the country's production. We also channeled 800 million colones, which is the U.S. aid to El Salvador, to the economic reactivation of the eastern region of the country.

Because we have a democratic, pluralist government, which is deeply concerned about the needy sectors, the elements that directly affect the life of people and their human development have been of special concern for us. We have been concerned about unemployment and inflation rates, which are the result of the national crisis. We have firmly fought against inflation and unemployment, always thinking that the government represents and has a duty toward the large majorities. When the large majorities are harmed by the economic problems of the time, the government must focus its attention on creating favorable conditions to benefit the majorities without harming the minorities.

The struggle must not be conducted in terms of classes, but in terms of goals and benefits. We must seek the perfect balance between the government's main duty and the fulfillment of the people's basic needs.

The purchasing power of our currency must be adequately controlled to protect wages and the incomes of the most needy. For that reason, in the last 2 and 1/2 years we developed an anti-inflation policy and a gradual wage increase, including an increase in the minimum wage, which was approved a few days ago.

Welfare: The true and sole reason for the existence of a society organized as a state is to constantly and gradually seek the well-being of its members. The attainment of this basic goal, however, does not only depend on the good disposition of the government, but also and above all on adequate conditions and national consensus. For that reason, all government sectors must tend to defend the state's raison d'etre to match economic projects with social promotion programs, which are also contingent upon political decisions.

Abuse of power: When government officials forget their committment to the people and violate their oath of honor, they lose their moral value and legal authority, because the power conferred on the representatives of the people is strictly defined by their functions as servants of the community and its goods. Officials cannot go beyond those limits for any reason; if they do, they must be subjected to the law and society's moral judgment. For that reason, I asked the country's vice president to carry out all necessary actions in those specific and verified cases in which there is a deliberate, excessive use of administrative power, which show an illegal behavior that is addressed by Salvadoran law.

Final words: God has been very generous with me, because he allowed me to serve my country since my childhood. I have tried to be an obedient observer of His mandates; above all, I have tried to be close to Him by loving my neighbor as I love myself. I have done all I could up to my last breath to benefit Salvadoran children and the needy, who are the ones who need a word of solidarity and affection, and the generous hand of those who had better luck in life.

I have been in politics for 28 years. I believe politics is a viable option to serve my people better. During that time, I consciously sacrificed my children's tenderness, my family's contentment, and the satisfaction and prosperity provided by my profession to dedicate myself fully to the search for a better destiny for my dear compatriots.

I struggled without rest or truce to disseminate the immutable principles of human coexistence, which are in fact the moral values of the Bible and the eternal basis of the foundations of society.

I have participated with absolute honesty and devotion in the formation of a party that was born with a Christian spirit as well as a spirit of service and humility. Throughout the years, my loyalty to principles in which we have believed and continue to believe has been and is constant and sincere. Despite the frustrations and dangers that we faced, our perseverance was greater, and at last the force of reason and the light of truth prevailed over iniquity and lies. We were able to obtain the maximum opportunity to achieve our ideals and keep our promise to watch over the interests of all Salvadorans.

In these 4 years of my presidency, I have dedicated all my attention, will, and capacity to amply and, without any distinctions, fulfill the functions of state, with the absolute responsibility of a leader who uses political power for the good of everyone, without advantages or privileges for anyone. I have never permitted hatred in my mind and much less in my heart. My heart has been open to receive affection and to offer respect and love.

My greatest concern and my permanent prayer to the Lord has been to devote all my effort and sacrifice so that my country will be great and prosperous and so that my compatriots will be on the path to happiness, prosperity, and peace. I have always said that the interest of the fatherland comes first. It is most important. It is legitimate and true and must serve as the basis for man's political activities. To act against those principles does not embody or represent the national aspiration.

In my administration, my sole concern has been to seek the common good of the Salvadoran people, because to the extent that we reach this goal, the good of each individual would be attained. I believe in social justice as a basic principle of human society and as a necessary foundation for the peace of men. I think that all men are equal by nature and that therefore the society organized as a state must create and promote the option for the weak, the poor, and the downtrodden so they will achieve minimum levels of prosperity, accepting that economic equality is utopian as is total democracy and absolute peace. But because of this, within the people's aspirations, it must be the first great objective of those who love this blessed land because to the extent that we get closer to that objective, we are ensuring tranquillity, respect, and well-being for those of us who carry in our hearts and on our shoulders the indelible mark of being Salvadoran.

The war affecting El Salvador has lost all historical and popular legitimacy, becoming a direct aggression on the people and the democracy that I hope will grow blooming and big, like the tree of eternal life. I have suffered imprisonment and exile for democracy and freedom. When my body tires and my strength fails, my spirit grows and is now stronger than ever, because we have been able to lay strong foundations that will firmly and solidly maintain the building of democracy, whose main framework is freedom for all.

The life of nations is everlasting. The life of men is fleeting. That is why our contributions and sacrifices must be one more step toward the nation's future. If God permits me, I will continue my struggle and my crusade for the causes in which I have believed in and lived for. If the Supreme Being decides otherwise, I would then ask each and everyone of you to forget the rancor as I have forgotten and forgiven those who have offended me. With the same intensity with which I have worked, with the same intensity I reiterate my appreciation to all those who believe in my patriotic prayer. My greatest desire is that peace, justice, and freedom will be a tangible reality for each man who lives in this land and who harks to the glorious name of the Divine Savior of the world.

Nicaragua

Ortega Says Contras 'Endangering' Talks

PA0306144088 Managua Domestic Service in Spanish 1202 GMT 3 Jun 88

[Text] Last night Nicaraguan President Daniel Ortega said that Honduras must take all the necessary steps to force the Somozist mercenaries out of its territory.

We hope Honduras will comply with the Esquipulas agreement, he said. Honduras is not complying with the agreement, which says the contra forces must be expelled from Honduran territory, Ortega noted. He added that as long as the contras remain in Honduran territory, there will be tension on the border.

Regarding talks between the revolutionary government and the contras next week, President Ortega said:

[Begin recording] We are willing to hold talks; however, the contras are the ones who are endangering those talks. On the one hand, this Somozist guardsmen, Bermudez, a well-known criminal, has been saying the Nicaraguan Government must apologize. We know, however, that he is the one who must apologize to the Nicaraguan people for the crimes he committed during Somoza's days and for the crimes he has continued to commit as the main instrument of the mercenary forces backed by the current U.S. Government.

On the other hand, this other individual, Alfredo Cesar, has been making threatening remarks in the form of an ultimatum. He has said that if no agreement is reached during the next meeting, it will be the end of the Sapoa agreement. The climate these individuals are creating is not really the best one for conducting the meeting. We clearly see the hand of the U.S. Government in this attempt to sabotage and bury the Sapoa agreements and to continue its criminal war against the Nicaraguan people. [end recording]

H. Ortega: Talks Might 'End in Failure'

PA0406215088 Paris AFP in Spanish 2 [illegible]4 GMT 4 Jun 88

[Excerpts] Managua, 4 Jun (AFP)—Today Defense Minister General Humberto Ortega warned that the next round of talks with the contras, scheduled to begin on Tuesday, might end in failure because the rebels are making "unacceptable proposals."

During a news conference in this capital the Sandinist general said that the contras "will not come to negotiate; they will try to impose their will during the peace talks."

Ortega asserted that the Nicaraguan Resistance (RN) leaders have publicly stated that if no substantial agreements are attained in the upcoming talks "everything will end there." [passage omitted]

The defense minister believes that the rebels will present unacceptable demands and then later blame the government for the talks' failure and continue with the war.

Ortega said the RN's warmongering faction is led by former Colonel Enrique Bermudez, who will predominate over the rebel Directorate members' will.

Ortega also accused the rebels of violating the truce agreed by the two parties, which expires next Thursday.

"Total tranquillity was never achieved following the agreement to cease military operations," Ortega said, and he added that "the RN's violations of the truce" have increased in recent days.

"The Sandinist Army has had to reject its enemies' attacks, but there have been no extraordinary troop movements to counter them," the military officer said, adding that "we will strengthen our positions" if necessary.

Maj Wheelock Says Honduras Helping Contras

PA0506043288 Buenos Aires REUTER in Spanish 0340 GMT 5 Jun 88

[Text] Managua, 4 Jun (REUTER)—Today the Nicaraguan Government accused the Honduran Government of allowing contras to operate in the border area with Honduran Army uniforms and identification cards.

Major Ricardo Wheelock, EPS Military Intelligence Directorate chief, said in a news conference that Honduras "provides total support for the counterrevolutionaries."

Earlier, another EPS officer showed newsmen an official Honduran Army identification card that Nicaraguan Rigoberto Moncada Moncada was carrying when he was captured Friday. Moncada Moncada was in Nicaraguan territory wearing a Honduran military uniform.

The card was issued to Gilberto Moncada Miranda.

The Nicaraguan officer said the prisoner's real name is Rigoberto Moncada Moncada. According to the Nicaraguan military intelligence file, Moncada Moncada entered the contra ranks in 1985.

The officer added that Honduran soldier Adolfo Calix Gamero was arrested with Moncada Moncada.

"This is not the first time they entered Nicaraguan territory on espionage missions to find the positions of our troops and locate the areas mined by our military engineers," he noted.

In the previous incursion, he added, they started a fire to detonate the mines that had been placed. This was to facilitate the entry of counterrevolutionary forces into Nicaragua.

Wheelock then noted that "the Honduran Army not only lends that country's territory to the contras, but provides intelligence information and logistical suppport."

The two arrested men were transferred to the national directorate of security for interrogation, reported Nicaraguan Defense Minister Humberto Ortega during the same news conference.

A Nicaraguan Government source felt that the Nicaraguan prisoner will likely be tried in that country, while the Honduran soldier will be handed over to the authorities of his country.

Bermudez: Government Violating Cease-Fire

PA0306211388 San Jose Radio Impacto in Spanish 1844 GMT 3 Jun 88

[Statement by Enrique Bermudez, commander of the Nicaraguan Resistance; date and place not given—recorded]

[Text] The truce has been practically broken, especially in the past few days, because... [changes thought] There have been violations throughout the period, but in the past few days attacks against our forces have intensified.

We have discovered a large-scale movement of troops and reinforcements by the Sandinists, which leads us to think that the famous offensive Humberto Ortega announced will be launched in the next few days.

There have been several recent confrontations in the Nueva Guinea region and in the areas known as (La Frescura), El Litoral, (El Chaporral), and La Selva, along the (Verde Blanco) Hill, Rio San Juan Department. We sustained six casualties there in clashes with troops of Military Zone No 2, under the command of Commander Capulino Ataque Nelson and a Commander Leonel.

The Sandinists are being overwhelmingly reinforced in Matagalpa Department, at the La Pancasta, La Patriota, and La Laguna garrisons. They have received artillery pieces and howitzers and have been receiving supplies by helicopter. In the border area, there have been more than 14 helicopter overflights in the Rio Bocay area. In other words, there has been an accumulation of equipment and reinforcements by the Sandinists in various parts of the Republic, and the intensified clashes that have occurred in the past few days indicate that after the negotiations, the Sandinists may launch their famous military offensive.

We have alerted our forces on various occasions [words indistinct] trying to wear down our troops and cause them to waste ammunition. Since our men have not received supplies, the Sandinists may be trying to take advantage of what they perceive to be a position of weakness among our forces, to win a few victories and demoralize our forces.

Calero: Talks 'Waste of Valuable Time'

PA0406224788 San Jose Radio Impacto in Spanish 1830 GMT 4 Jun 88

[Text] Nicaraguan Resistance [RN] leader Adolfo Calero Portocarrero believes the new round of talks with the Nicaraguan Government is unnecessary. The talks were to begin next Tuesday. These are his statements:

[Begin recording] [Calero] It does not make any sense for the RN to go to Managua to continue endless discussions that get us nowhere and are only a waste of valuable time. Nicaraguans expect results and not useless chatter.

[Reporter] Does this mean that you are no longer willing to continue participating in the circus that the Sandinist have staged? And, does this mean that Adolfo Calero will not return to Managua?

[Calero] Well, I did not go to Managua last time...

[Reporter, interrupting] Will you go to the next meeting?

[Calero, in progress] ...[words indistinct] and when the decision was finally made, we went to Managua. I belong to a group where the majority decides if the dialogue is to continue or not. I would not like to give you a definite answer, but I can say that I am not willing to continue a dialogue that is unpleasant, endless, and gets us nowhere. If the Sandinists want to show good faith, they have to grant freedom of the press without any restrictions. Right now there is a radio newscast that has been suspended. In Nicaragua nobody can talk. Radio Catolica and Radio Corporacion cannot talk. I remember that when mediation started in October 1978—in Somoza's times—there was freedom of the press without restrictions. This is a fact that the Sandinists know. [end recording]

Panama

Solis on Resolving Country's Problems

PA0306220688 Panama City Domestic Service in Spanish 1908 GMT 3 Jun 88

[Speech by Manuel Solis Palma, minister in charge of Presidency, at the 9 January neighborhood youth center in Colon Province on 3 June—recorded]

[Text] Good morning, ministers of state; honorable legislators; Yolanda Pulice de Rodriguez, magistrate and president of the Electoral Tribunal; Luis Chen, magistrate of the Electoral Tribunal; directors of decentralized institutions; Juan Fidel Macias Cerezo, mayor of Colon District and acting governor of the province; Major Guy de Puy, chief of the 2d Military Zone in Colon; honorable mayors, honorable corregimiento representatives; honorable members of the Technical Junta; honorable members of the communal juntas; gentlemen of the Costa Abajo agroindustrial cooperative; special guests; ladies and gentlemen:

First, allow me to extend a brotherly and emotional greeting to the public officials of Colon Province, with whom I stand here today sharing their worries and problems, which are also mine.

As the presidency minister said, the purpose of this meeting is to express or put forward, as the planning and economic policy minister did, our view of the country's economic, fiscal, and social situation at this moment. We primarily want to get your views on Colon's particular problems, on its essential problems, so that after this meeting ends or several days later we can appoint a working commission that will specify the problems that have been left out; also, so we may seek solutions in line with our present reality and prepare a plan of action to find responses to the main problems.

In truth, we cannot find responses to all problems faced by Colon at this particular time. We have to attach priority to the most important ones, to those that are essential, and then launch a coordinated plan of action with officials in Colon, with the Colon community, and with all officials at the national level who are in Panama City.

We must focus on the resolution of the problems of unemployment, underemployment, housing, health, education, road construction, etc. That, however, must be done within the current reality and within the real possibilities of attaining those solutions.

Here today we have presented several explanations. I will provide a fuller explanation beginning with the requests made to the president by two ministers. The health minister asked me to seek all necessary resources to conduct a specific program, which he considers vital. The public works minister also made a request. Recognizing the effort that each ministry, minister, and ministerial officials are making to resolve the crisis, recognizing all that, I now want to express my views on what the solution to these problems could be.

Defining our current economy, the planning minister said that ours is an economy of anguish, sadness, and concern. The problem, however, is not only to worry about the situation. The main problem is to find a solution to the problems we are facing with the resources available to us.

The fiscal situation is very hard, very difficult. I do not think we have made a projection or that today we can make a projection about the future, because we do not have sufficient elements to gauge the recovery from the country's economic, political, and social problem. If we base ourselves on what occurred in March, we would reach conclusions that are truly unfortunate and practically impossible to overcome. If we analyze April, we see there was a recovery. If we analyze May, we see there was greater recovery. But what will be the real level of recovery in the coming months? This will depend on many factors and will greatly depend on all of us.

Of course, in June we know we are facing difficulties as a result of the lack of resources. However, perhaps in July the situation will not be exactly the same; and perhaps in August it will be different and we will achieve much greater recovery. Everything indicates that there is a level of recovery. There is a trend toward recovery. What we cannot ascertain is the exact level of that trend, how long it will be maintained, and how long it will continue at the same pace as in April and May.

In any case, the present reality is that the revenues of the entire public sector have dropped sharply. The central government, IRHE [Institute of Hydraulic Resources

and Electrification], INTEL [National Institute of Telecommunications], the Port Authority, the Social Security Fund, IDAAN [National Water and Sanitation Institute], and, in a nutshell, all institutions that receive revenues have experienced a substantial drop in revenues. However, there has been a recovery in all these institutions, perhaps at a greater speed than in the central government sector.

The collection of taxes dropped approximately 70 percent in March. In April, it remained at 50 percent; and in May, it was again 50 percent of the programmed and expected revenues. This undoubtedly makes us unable to provide specific services. But there is another problem in addition to the possibility of recovery: the response to the two aforementioned ministers who request the maintenance of programs. Of course, they must be maintained.

If we view the government—the central government and the decentralized institutions—as a total unit, we cannot continue to permit a single institution to squander money or to have inefficient administration.

At this time, I maintain that because of the country's situation, there must be a change in the way friendship, copartisanship, and unionism are viewed. The country's interests cannot be subordinated to any of these three relationships. The friend in government is either efficient or he is not a friend, because he is not a friend of the country. Therefore, neither the friend nor fellow party member can be in the government if he works inefficiently at this time. However, we must carry out an overall effort to achieve this. We must understand that there is government unity, that there are no islands, that the building of a road cannot be halted because there is not enough cement while at the Bayano Cement plant there is plenty of cement. The Public Works Ministry and Bayano Cement must become a single unit in dealing with a problem. It cannot be that a house is not repaired because there is a shortage of lumber while there is a lumber surplus in MIVI [Housing Ministry]. In this case, the Public Works Ministry and MIVI are the same thing.

A job cannot simply be left undone because there are not enough employees while there are idle workers somewhere else. Unity must be attained, and this unity must begin at the provincial, district, and community level. All institutions must unite and resolve their problems; whoever has more than enough should share with whoever does not. We must abolish selfish statements like: This is my employee and he should not work for someone else; or this is my resource and I will share it with no one else.

I was quite concerned a few days ago when the Social Security Board director said that she toured the interior and discovered that there are enough beds at the hospitals—both the Ministry of Health and Social Security Board's installations—but the Social Security Board is paying private clinics to take care of its patients. Large sums of money are being paid to private clinics while hospital beds remain empty, even though they are in very good condition. These things cannot happen because we cannot continue to protect private interests while violating our national interests.

We must review the doctors' problem in the health sector, to see what kind of work they do and how much overtime they earn. Once we settle this issue we may have enough resources left over to continue with the sewer project and other projects we have elsewhere. Once we have eliminated all the sinecures in the Ministry of Public Works we may have money left over to repair the machines. If no money is left over then perhaps the National Port Authority, which sometimes has excess equipment and personnel, will help resolve the Ministry of Public Works' problems. I mention the National Port Authority just to give you an example.

We must change our views about the nation's situation if we want to overcome the current crisis. Everyone—and I mean everyone—must cooperate by saving resources and spending wisely. I specifically refer to the executive branch, to avoid meddling with the independent organizations, which should also analyze the government's problems within the same framework. Thus, we will really be able to subsist during the recovery period we have begun.

This crisis will not be resolved soon, with or without a settlement with the United States. It is not true that the problem will be resolved overnight, even if huge sums of money are sent here—which will not happen—because the problem with our internal crisis is that—besides the problem caused by the U.S. economic embargo, the economic strangling by the United States—we have an institutional as well as internal crisis.

We will not be able to overcome our country's situation if we do not overcome our institutional problems. We will not resolve our problems by getting more money; we would only increase our debt. We may think we are resolving our problems, but, in the long run, the solutions will not be in proportion to the debt we acquire.

We have done... [changes thought] A short time ago, when we still did not have the current problems, we completed projects that cost millions and millions of dollars, yet their benefit has practically been nil. The general attitude was: Since we can get the loan we might as well use it. No one worried about the payments, interest, and future problems. For projects in Puerto Escondido, and other places, $3 million, $4 million, or $5 million was spent, and we still do not know what to do with the installations, which are slowly deteriorating.

We must analyze those things now more than ever because the current crisis has brought about a clear awareness of our destiny and responsibility. The Panamanian people—which includes every one of us—has responded to the crisis with a great deal of understanding and patriotism.

The working classes have been broadminded and understanding of the problem. They have been cooperative in seeking solutions to at least survive as we have been doing. We have to thank those people for that action. Now, we have to handle the next step: how to move ahead, how to forge a fatherland with our own resources. The people have shown creativity; they have been resourceful in seeking solutions.

When paychecks were divided into smaller checks, the people sought ways to resolve their problems, often in a very resourceful manner. Each one sought the first chance to cash them. I recall one occasion when [Maj] De Puy was still at the Presidential Palace: I sent a security guard to pay my Diners' Card bill. I owed 86 balboas. I gave him the money in cash. When the statement came, it read: Paid 36 balboas in cash, and 50 balboas in check. I did not send a check; [laughter] I did not send a check. [repeats himself] The guard told me: Mr President, excuse me, but I saw 50 balboas, took it, and paid with my paycheck. You paid; there is no problem. [laughter]

Each one sought the means to resolve his problem. At the first chance, each one knew how to cash a check. Some did it that way; others in some other way. Everyone found the means. They have been stabilizing the situation regarding the paychecks despite the problem it entails. We have succeeded in overcoming what nobody thought we would overcome. It was thought that by cutting the flow of dollars, we would succumb in 1 or 2 weeks, at the most, and live those 2 weeks in an artificial manner. Well, gentlemen, tomorrow it will be 100 days [as heard], and they still have not smothered us. [applause]

We must define it [not further identified]. We must say yes or no. As the commerce and industry minister so rightly stated: We are going to analyze it quickly. In a short time, we must say whether it will work or not. I take this opportunity to ask you to include the National Environmental Commission in this group. You should also include INRENARE [Institute of Renewal Natural Resources]. However, you should not delay the study too long, because there are so many. Soon, we should tell Colon Province that the landfill is going to be built, because it does not have... [changes thought] The garbage will be processed, because it does not pose a pollution problem. Or, the study can conclude that it should not be built, because we cannot imperil a city or a province for economic gains that may be sought by some other means. Still, we must provide a solution. [applause]

As for the free port—there are many proposals to make all of Colon Province or the Republic a total free zone. Let that be studied. This way, it will be answered either yes or no. It will be said this part will be done or nothing will be done at all because it does not suit the country's true interests. This should be said or a solution found. We should not be discussing the same topic all the time. I think this is one of the problems the commission is going to have. I feel it must comprise the governor, the military zone chief, mayors, one honorable legislator, one representative of the Planning and Economic Policy Ministry [MIPPE], merchants, industrialists, farmers, and workers. This commission should begin studying all aspects. It should submit a solution to the immediate problems as well as collect money.

Ideas have been suggested as to what we can do. We are going to receive all those ideas in the commission and process them. I have heard the representative of the Technical Board. As a matter of fact, he is the MIPPE head in Colon. He has made a thorough report on the situation in Colon. I was impressed. What happens then, I wonder? If the planners of the provinces have made an in-depth study of their province, why does MIPPE lack that same in-depth study at the national level? Why do we not study it? Why do we not seek solutions if we already have the study of the problems? It would seem, however, that there is a lack of coordination in the entire administrative process, in all of the government entities. We must attempt to carry out that coordination. The decentralized organizations cannot continue considering themselves totally autonomous and independent entities; their autonomy is relative. The Constitution grants the president of the Republic the ability to intervene in those autonomous organizations, and we are going to intervene.

Wherever we need one of those organizations to help, it must help. If a plan is needed in Colon to get people to do something, and we need INAC [National Culture Institute] and INDE [National Sports Institute] to lend a hand, then let them come to Colon and organize the people and have them play sports or do things and direct the people somehow.

Each institution must go to every province and region in the country to lend its support. One could say: Well, the problem is a lack of resources; how are we going to help? There are ways. I do not think the INDE director will have to spend too much gasoline going from Panama to Colon. Maybe he can fill the tank out of his own pocket and travel for free. [laughter, applause] The thing that is needed is the will to organize; that the INDE employees here in Colon get to work and that he, the director, puts them to work and they all work, and I think it can be done. Resources? One can get them somehow. Perhaps a businessman will donate the basketballs, another one will donate the baseballs and bats and everything else, and we can accomplish something.

If the other Latin American countries are helping us weather the crisis, why do we Panamanians not help one another in the small things that can be done? There are not extravagant expenses. The problem of a dirty street, for instance, is a problem sometimes because of a lack of action on the part of city mayors or the DIMA [Metropolitan Sanitation Directorate] or of some other institution that does not implement and coordinate actions to resolve the problem. If DIMA needs diesel, perhaps the

mayor's office or some other institution can give the diesel, or the economic minister can negotiate with the oil refinery to get the oil on credit or get a donation, or negotiate for it in exchange for tax payments, because the refinery owes a lot of money and it has not finished paying it. Things of this nature can be used to obtain credit so that one thing compensates the other until such a time as we have done what we want.

So, there are many things that can be done. What one really has to do is make up one's mind. In my opinion, the main problem many times is not the lack of money; it is the lack of imagination. We have to get to work; we can do it.

It has been suggested here that school desks be constructed in a certain shop. [Education Minister] Murgas has not had the bad experience I had; that is, when we had the desks made at certain institutions—the ITT's [not further identified]—we found that a whole year went by and they did not finish building 50 desks. This was a very serious problem and we had to forget about using them. They had the wood, they had the machines, but either the pupils did not know how to build the desks, or the teachers did not build them unless they got paid for it. There were many difficulties, and what theoretically should have worked perfectly became an impossible task. In the end we had to give the contract to someone who could deliver the desks quickly because the schools needed them. But, well, one can try again and have the Provincial Directorate of Education see to these problems of how to get the desks built. Thus, each ministry will delegate responsibility to its employees.

I believe, gentlemen, that this has been a productive meeting. First, because we have received much feedback from you. We have had participation, but it must not stop here. The participation has started today and it must continue at all times. I hope you will all join a commission that the planning minister is going to appoint that will work on this full time. Every aspect of the problem must be looked at, because many other aspects may come up that we have not yet foreseen and which may be extremely important.

To conclude, I want to tell the workers that I had already requested that they agree on a date for next week when I will be very happy to meet with you, and at that meeting we may examine many other problems. I can also meet with any other trade union, especially if that meeting is held sometime in the evening or on Saturday or Sunday, which is when we are less busy.

So, I am at your disposal, and I want to reiterate my pleasure at being here with you. Feel sure that what we are doing is because we really believe in it, because it is our responsibility to help the country overcome this crisis. Because of our past struggles, we have a commitment with the present generation and with those who followed us and who taught us to maintain an upright stance where the fatherland is concerned. Thank you very much.

Ex-Venezuelan President on Talks With Noriega

PA0306221388 Buenos Aires REUTER in Spanish 2010 GMT 3 Jun 88

[Text] Caracas, 3 Jun (REUTER)—Former Venezuelan President Carlos Andres Perez said that his conversations with Panamanian strongman General Manuel Antonio Noriega had opened the road for a resolution of the crisis that will avoid a confrontation between Panama and the United States.

Perez talked to newsmen yesterday and stated that his formula included free elections in May, but he refused to give more details. He added that he would inform the presidents of the member countries of the Group of Eight about the conversations he held with Noriega on Wednesday.

When Perez was asked if Noriega had agreed to leave his position as Panama Defense Forces commander, he answered: "This is a matter that I cannot discuss publicly. He is the one entitled to do so, not I."

Perez emphasized that had it not been for U.S. intervention in Panama earlier this year, according to a plan he helped draft a few weeks ago Noriega would have already resigned.

Perez, former Costa Rican President Daniel Oduber, and former Colombian President Alfonso Lopez Michelsen started meeting with Noriega on 14 November, attempting to find an honorable route for Noriega to quit, and thus appease the opposition's daily call for his resignation.

The group of politicians reported that Noriega had secretly signed a plan that was to reestablish freedom of the press, reform the electoral law before the May 1989 elections, and which included Noriega's retirement before the elections and his replacement by another officer.

The former presidents were to present the plan to U.S. Secretary of State George Shultz. However, President Eric Arturo Delvalle's firing of Noriega on 25 February, supported by the United States, forced the former presidents to reveal the plan the following day.

Delvalle was removed from office by the National Assembly, which supported Noriega, on 26 February.

U.S. negotiations with Noriega to pressure him into resigning failed last week and the U.S. economic sanctions against Panama are still in force. Perez said that the Panamanian economy has become bankrupt as a result of these sanctions.

Perez, who heads the list of Venezuelan presidential candidates for the December elections, said: "I am cooperating to attain a solution that will, first, stop a confrontation between the United States and Panama."

"Second, we have to take into account the Panamanian political parties' and opposition groups' desires for an authentic and certain democratization in order to be able to participate in the May 1989 elections," Perez added.

Perez also said: "The Panamanian problem is not a U.S. problem, nor a Central American problem, nor a Panamanian problem. It is a continental problem. The problem has very dangerous and very serious political angles and Venezuelans and Latin Americans must view it very carefully."

Guatemalan Embassy Denies 'Mediation' Reports

PA0306183888 Hamburg DPA in Spanish 1759 GMT 3 Jun 88

[Text] Panama City, 3 Jun (DPA)—The Guatemalan Embassy has rejected reports of an alleged mediation effort in Panama by Guatemalan President Vinicio Cerezo.

According to the reports, Cerezo will reportedly travel to Panama within the framework of a proposal by Costa Rican President Oscar Arias to allow Panamanians to find a solution to the country's internal crisis.

The embassy communique noted that such reports show an ill-intentioned effort to hinder the Guatemalan president's "good offices," which are merely a friendly action to lead the parties to a "negotiation" so Panamanians can resolve their own problems.

"We also take this occasion to explain that some reports inaccurately used the term 'mediation,' which is very different from the term 'good offices.'"

In addition, the Guatemalan Embassy explained that President Cerezo's "good offices" efforts have nothing to do with President Arias' proposal.

Paper Urges Expulsion of U.S. Ambassador, DCM

PA0406003588 Panama City LA REPUBLICA in Spanish 3 Jun 88 p 5

[From "The Reporters' Notebook" column: "How Much Longer?"]

[Text] How much longer will the national government put up with the presence of Ambassador Davis and [Deputy Chief of Mission] John Maisto in our country? It is about time they were declared persona non grata. The latest from this twosome is the creation of a clandestine radio station. They are openly acting against our country, and we treat them with kid gloves.

Assembly Calls for Investigation of Deaths

PA0306172888 Panama City LA REPUBLICA in Spanish 2 Jun 88 pp 1, 6

[Resolution No 10 issued by the Legislative Assembly in Panama City on 1 June]

[Text] Considering:

That two Panamanians—13-year-old Anibal Villarreal and 25-year-old Domingo Julio Avila, residents of Cerro Silvestre, Arraijan—were killed on 28 May 1988 in a regrettable accident in which Alvis Amores was seriously injured and crippled;

That the accident occurred because these young men were collecting scrap metal and iron, hoping to get some cash to resolve their economic problems; and

That this is not the first time this kind of incident has occurred as the result of the lack of precautions by the U.S. Army, which leaves highly dangerous live explosives abandoned in an open field after using them in military maneuvers, and that such explosives have caused damage and have crippled Panamanian civilians who for one reason or another handled these explosives,

The Legislative Assembly resolves:

1. To regret the violent deaths of young Panamanians Anibal Villarreal and Domingo Julio Avila and to earnestly hope for the recovery of Alvis Amores, all of whom were victims of the explosion caused by the U.S. weapons;

2. To ask the authorities to start a serious, thorough investigation to objectively determine the U.S. Army's degree of responsibility in this incident, which this resolution regrets; and

3. To ask the authorities to make all necessary efforts to prevent the repetition of all U.S. Army exercises in our country that are hazardous to the Panamanians' security and lives.

Issued in Panama City on 1 June 1988

Legislative Assembly President Alberto Aleman Boyd

Legislative Assembly Secretary General Erasmo Pinilla C.

Argentina

Alfonsin Returns From Trip to U.S., Spain

PY0606021588 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0127 GMT 6 Jun 88

[Text] Buenos Aires, 5 Jun (NA)—Today President Raul Alfonsin arrived here from Spain, where he signed important agreements for Spanish investments in Argentina with the government of Felipe Gonzalez. As part of his tour, Alfonsin also visited the United States, where he asked the creditor banks for better payment conditions.

Alfonsin arrived at Ezeiza Airport today at 2205.

Foreign Minister Caputo Returns From Spain

PY0406160488 Buenos Aires TELAM in Spanish 1524 GMT 4 Jun 88

[Text] Buenos Aires, 4 Jun (TELAM)—At noon today Argentine Foreign Minister Dante Caputo returned from Madrid, where he had accompanied President Raul Alfonsin, who is paying an official visit to Spain. The Iberia airliner, which had to be diverted to Carrasco Airport in Montevideo first because of weather conditions, finally landed at Ezeiza International Airport at 1200.

On Foreign Debt, Tour

PY0506235488 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1834 GMT 4 Jun 88

[Quotation marks as received]

[Text] Buenos Aires, 4 Jun (NA)—Today Foreign Minister Dante Caputo said that Argentina cannot "break with the rest of the world" by declaring a unilateral moratorium on its foreign debt payments. He praised President Alfonsin's decision in the United States to demand that more flexible conditions be established for meeting the debt obligations, noting that it is an "imaginative idea."

He added that there are "no constitutional restrictions" about the fact that the president put forward his demand before seeking a consensus in Congress or with the political parties. This was a tacit rejection of criticism that has been made mainly by the Peronist sector.

Caputo made these remarks at Ezeiza Airport upon returning from a tour of the PRC, Africa, the United States, and Spain.

Asked about the most important results of his tour, the minister said that he worked on the three [as received] fronts that were already established in 1983. We worked on the front of the big markets, like the PRC, and we also met with the peripheral countries with which we have common demands, that is, with the countries of the Third World."

In this regard, he said "that is why I accompanied the president to the PRC, and that is why I visited Spain. The treaties that were signed reflect the success of the trip."

He added: "The $3-billion cooperation treaty with Spain is proof of this. It shows the multiple kinds of foundations upon which Argentine foreign policy has been built."

He said the basic idea is to mobilize resources, because Spain has granted credits "at an interest below current market interest rates."

Concerning the foreign debt issue, which President Alfonsin mentioned during his visit to the United States, Caputo maintained that "when we contract our foreign obligations, they criticize us, claiming that we have no imaginative ideas, and when we put forward imaginative ideas in the right forum, which is that of bankers, they also criticize us. I would therefore like to listen to more complete ideas about what is to be done with the debt issue."

He stressed that "if I am not wrong, during a debate in the Senate I did not hear the opposition proposing anything better that what the government had been doing so far."

"We agree that the foreign debt issue is extremely delicate, difficult, complex, and that it restricts our capacity to invest because it drains our resources," he remarked.

Then he wondered: "How shall we resolve this situation? Shall we break with the rest of the world? At what price? Has anyone wondered about the consequences of suddenly breaking with the rest of the world, with the countries with which Argentina needs to maintain relations, if the debt is no longer repaid?

He said the interest on the debt must be paid and "that is why we raised the proposal in the right places: in Europe and in the United States. Furthermore, the president clearly said it is a proposal to begin the talks, because something has to be done to resolve the problem."

Concerning the South Atlantic conflict, Caputo reiterated the Argentine position that "there will be negotiations if the sovereignty issue is on the agenda."

He said the remarks by former U.S. Navy Secretary John Lehman, who said his country gave military aid to the United Kingdom during the Malvinas conflict, are "very unpleasant and shocking, and they deserve our total repudiation."

Brazil

Sarney on Plans, Rule Under New Constitution

PY0306215488 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Jun 88 p 6

[Interview with President Jose Sarney by FOLHA reporter Boris Casoy on 1 June in Brasilia]

[Excerpts] Casoy: Once your term of office is determined, what will be your government's main plans?

Sarney: The government must be exercised in a context of realities. This is an inexorable law. I have to complete the period of democratic transition. I have to get Brazil back into the international financial community and stabilize its internal economy. This means resuming investments and lowering inflation. I have to ensure a climate of peace, tranquillity, and stability for the presidential elections, and then transfer the presidential sash to my successor. At that time, the transition process will be completed. [passage omitted]

Casoy: From now on you will have to govern with a minority in the Senate. With the new constitution, presidential powers will be reduced. Do you have a strategy to coexist with this new situation?

Sarney: In the first place, I don't believe I will govern with a minority in the Senate. We have to put together a political majority in the two houses so that this majority can support the democratic transition process. This process must be conducted without risks or commotions, down a path of consensus from which the Senate cannot be excluded. [passage omitted]

Casoy: Will it be difficult to govern with the new constitution as it is now being written?

Sarney: I believe the constitution has been handicapped by a concern with secondary problems, minor problems, not addressing substantial problems. I believe that in the second stage, once the issue of my term in office is put behind, it will be possible to unite political thinking so as to give coherence to the constitution in a climate of rationality. So far, the Constituent Assembly has been too involved in the problem of my term in office, to the point that it was preoccupied with it to the detriment of other issues. So, the constitution is not coherent; it moved forward here, backward there. [passage omitted]

Casoy: The Brazilian wage earner, the middle class, is weighed down by a heavy fiscal burden this year. We have the problem of taxes that must be paid every 3 months. Is some measure being thought of to lighten that burden?

Sarney: I think we have to have fiscal reform in Brazil. Since we had easy access to foreign savings, we financed all public expenditures and expanded state functions, without any concern of depending on the state's own resources.

This led to the creation of a fiscal system that has burdened only the middle class, because the majority of the salaried workforce belongs to this class. This model is now exhausted. Our tax burden has reached 8.8 percent, which is our net tax burden. This taxation level, however, is not enough even for paying personnel expenses. What is the result of all this? To finance its spending the state now has to sell bonds on the market. In doing this, the state influences the interest rate and it uses the private sector's savings. In conclusion, there must be a new fiscal policy in our country. This new fiscal policy must be more just and it should not have the current distortions. I believe the time has come for us to design a fiscal policy. I have already proposed the enforcement of this type of policy, but we had neither the time nor the opportunity to study it. Obviously, it will have to be analyzed with a view toward enforcing a fiscal policy with lower rates and with much simpler fixed rates.

Casoy: Can we conclude that you will propose a new fiscal policy?

Sarney: We are already working on a just fiscal reform that will end the injustice of the Brazilian tax burden. As for the quarterly-collected taxes, we will try to reduce them directly.

Casoy: Throughout Brazilian history many presidents made populist concessions in order to remain in power. This compelled them to strongly rely on the Armed Forces. Can the same thing happen to your government?

Sarney: I will repeat something I said long ago and that has been forgotten: A president who dresses like a military man cannot appeal to the people. Yet I believe that one of the key achievements of my government, which has facilitated the transition toward democracy, is the fact that we brought in the sectors that were underground and they committed themselves to democracy. They recovered their legal status and they organized themselves as parties. The Armed Forces have also engaged in the democratic transition process. Today they are totally engaged in this process, and their behavior has been faultless. They have supported the transition. I believe there is a trend to work with strong political parties. [passage omitted]

Colombia

Barco Discusses Unity, Gomez Kidnapping

PA0506005788 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 4 Jun 88

[Text] President Virgilio Barco called on all political groups to join a unity front to begin a new phase of national solidarity. The president issued a statement upon returning from Europe last night.

[Begin Barco recording] At this moment, that national solidarity must bring about specific and efficient actions to overcome this challenge. Therefore, I call on the Liberal Party, New Liberalism, the Social Conservative Party, and the Patriotic Union to analyze this situation and the most appropriate policies [to deal with the situation].

The solution to this emergency does not depend on a simple change in bureaucracy. That would only reestablish methods that are no longer valid and that have led to institutional deterioration. [end recording]

In response to recent proposals, the head of state said that restructuring the cabinet is not the solution.

Barco replied to the questions posed in editorials during his absence.

[Begin recording] [Reporter] Mr President, certain editorialists believe there is a need for more government intervention and that you did not give the kidnapping of Alvaro Gomez Hurtado the importance it deserves.

[Barco] Any newspaper or person can say that, but our representatives were abroad explaining the situation. I carried Colombia's voice with me everywhere; the voice of Colombia's concern and our struggle against terrorism, kidnapping, and those who in doing so are trampling Colombian democracy.

[Reporter] Will you negotiate the release of Dr Alvaro Gomez Hurtado?

[Barco] We do not yet know for sure what his health status is and who is holding him. Of course, we will establish a committee to constantly monitor the situation in order to take the appropriate steps. [end recording]

Coordinating Board Denies Rebels Holding Gomez

PA0406182388 Hamburg DPA in Spanish 1656 GMT 4 Jun 88

[Excerpt] Bogota, 4 Jun (DPA)—It has been learned in Bogota that the Simon Bolivar National Coordinating Board, the umbrella organization of Colombian guerrilla groups, has denied its groups are holding former presidential candidate Alvaro Gomez Hurtado.

The announcement was made by Jacobo Arenas, FARC's ideological leader, during a telephone conversation with government officials. According to Arenas, a guerrilla "summit" was held Thursday night somewhere in Colombia, and it was determined that none of the subversive groups had any part in the kidnapping of the Conservative Party leader.

The guerrillas' statement gives rise to new questions about Gomez Hurtado's whereabouts. Gomez is the ideological leader of the Conservative Party's far-right wing. Early in the week it was believed that the kidnapping was the work of "the Extraditables," the drug mafia's military wing. This theory was further strengthened by an alleged communique from the group, but other spokesmen for the so-called "Medellin Cartel" denied the report.

Subsequently it was rumored that the leftist National Liberation Army (ELN) had kidnapped Gomez, but the ELN leadership also denied responsibility. Arenas was one of the first to condemn the politician's kidnapping. Another suspected group, the M-19, also denied involvement. It is felt in news media circles that this latter organization is no longer strong enough to carry out such high-risk operations.

The security measures and intensive operations launched by the Armed Forces have not been successful, and there is no clue whatsoever as to the whereabouts of the 69-year-old Conservative Party leader, who ran for president in 1974 and 1986.

Following the statement by the Coordinating Board—which is composed of FARC, the ELN, the EPL [Popular Liberation Army], and the pro-Indian Quintin Lame group—it appears likely the drug mafia has kidnapped Gomez to demand concessions from the government. [passage omitted]

Ecuador

President Summoned for 'Violating' Constitution

PA0406133388 Quito Radio Quito in Spanish 2300 GMT 3 Jun 88

[Text] Today the Court of Constitutional Guarantees decided to summon President Leon Febres-Cordero for violating Article 78 of the Constitution by decreeing a state of national emergency during the strike called by the FUT [Sole Workers Front]. Court President Rene de la Torre said the president broke the law by stating that there would be serious domestic disorder, because, De la Torre explained, a call to strike is not necessarily a cause for disturbances. De la Torre reiterated emphatically that President Febres-Cordero violated the Constitution:

[Begin De la Torre recording] According to the Constitution, the president had to immediately notify the court about his decision. The president did not do so immediately but many hours later. The court started to review the case yesterday. Always acting fairly, it decided that members Jose Santos and Jorge Zavala Vega would present a report. The matter was resolved in today's session, and the court decided to summon the president, because it believed that he had violated Sections M and N of Article 78. It also decided to notify the Ecuadoran president of this unanimously adopted resolution and to inform the National Congress president of this case, as stated in the last part of Article 8 of the law creating the Court of Constitutional Guarantees. [end recording]

Air Force High Command Killed in Crash

PA0406025388 Hamburg DPA in Spanish 0136 GMT 4 Jun 88

[Text] Quito, 3 Jun (DPA)—Tonight the Ecuadoran Air Force [FAE] high command, including its commanding general, was killed in an accident when the plane they were traveling in crashed into a forest near Quito.

The plane, which carried 11 people, reportedly was engulfed in flames when it crashed at approximately 1815 (2315 GMT), according to witnesses.

However, heavy mist in the area, 1 km northeast of Quito, has made it difficult to determine the precise circumstances of the accident.

The highest-ranking FAE officers, including its commander, General Angel Augusto Flores, were killed in the accident, Red Cross sources who announced the recovery of six bodies confirmed. "Darkness and rain are making our work difficult," a spokesman added.

Official List of Victims

PA0406033288 Quito Radio Quito in Spanish 0252 GMT 4 Jun 88

[Text] We have received the official list of the people who died in tonight's plane accident. Those killed in the plane accident are: General Angel Flores, commander general of the FAE; General Raul Coucin, commander of the 2d Air Zone; General Galo Coronel; Israeli Air Attache Ben-Shu'a; Lieutenant Colonel Alberto Naranjo; Lieutenant Colonel Marcelo Costales; Lieutenant Colonel Luis Lopez; Major Mario Estrella; Captain Jaime Benalcazar; Captain Nelson Maldonado; and Corporal Luis Briceno.

This is the complete list of the 11 people who died aboard the FAE Sabreliner executive jet that crashed at 1800 today.

New Commander Named

PA0506211188 Hamburg DPA in Spanish 1859 GMT 5 Jun 88

[Text] Quito, 5 Jun (DPA)—Today the Ecuadoran Government declared a day of national mourning for the death of the top Ecuadoran Air Force officers killed in a plane crash on Friday, 3 June. The plane crashed against a mountainside in dense mist.

The bodies of 10 of the 11 plane crash victims were buried today while the search continues for the body of Israeli Military Attache Colonel Shabtay Ben-Shu'a, which has not yet been found and which could have been swept away by the Machangara River, which runs along the mountainside.

Four of the five [figures as received] Ecuadoran Air Force generals died in the accident that took place early in the evening on Friday, 3 June. The circumstances surrounding the crash are not yet fully known. Six other Air Force officers and the Israeli attache were also killed in the plane crash.

Lieutenant General Carlos Jaramillo, the only Air Force general left after the accident, today assumed his position as Ecuadoran Air Force general commander. President Febres-Cordero appointed Jaramillo as Air Force commander on 4 June.

According to preliminary investigations based on reports given by eyewitnesses and by the crew of a military plane that was guarding the Air Force high command plane, lightning could have been the cause of the accident, because most of the versions agree that the plane was on fire when it fell and later exploded.

Paraguay

President Stroessner Departs for New York

PY0506024588 Asuncion Radio Caritas in Spanish 0244 GMT 5 Jun 88

[Text] The airplane taking President Alfredo Stroessner and his delegation to New York has just left.

Venezuela

Lusinchi Leaves for Italy, Yugoslavia, Egypt

PA0306201688 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 3 Jun 88

[Excerpt] President Jaime Lusinchi departed at 0600 today for Italy, the first stop of his trip, which will also include Yugoslavia and Egypt. Lusinchi was accompanied by several members of his cabinet.

[Interior] Minister Jose Angel Ciliberto was sworn in as acting president until 16 June, when President Lusinchi will end his tour.

The main objective of the president's tour is strengthening relations with those countries and improving bilateral relations, particularly in areas of mutual benefit, such as investments and technical and commercial cooperation. Agreements in these fields will be signed during his tour, particularly with Italy. [passage omitted]

Suriname

Religious Group Members To Talk With Rebels

FL0306122588 Bonaire Trans World Radio in English 1130 GMT 3 Jun 88

[Text] Two members of a Surinamese national religious organization are on their way to the eastern part of the country to hold talks with rebel leader Ronny Brunswijk. The council has been involved in mediating the talks between the rebels and the Surinamese Government. Rebels are demanding the government turn over operations of the palm oil plantation to the rebels. So far, the government has refused and the rebels have threatened to attack Army targets.